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Daily Report

East Europe

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Daily Report
East Europe

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Appeals Court Reduces Sentences for 5 Greeks

AU0610123194 Paris AFP in English 1223 GMT 6 Oct 94

[FBIS Transcribed Text] Tirana, Oct 6 (AFP)—Five members of the ethnic Greek minority in Albania convicted of spying for Greece had their jail sentences reduced on Thursday at the end of their appeal hearing.

Theodori Bejani had his sentence cut from seven to six years, Vangjel Papakristo from six to five years, Panajot Marto from six to five years, Irakli Sirmo from eight to six years and Kosta Qiriaka from eight to seven years.

The already tense relations between Greece and Albania have been further strained since the trial opened in mid-August and ended with the men being jailed on September 7.

Thousands Try To Overrun Restricted Port

AU0510202794 Paris AFP in English 1945 GMT 5 Oct 94

[FBIS Transcribed Text] Durres, Albania, Oct 5 (AFP)—Some 14.000 Albanians have tried to overrun a now-restricted port that was once the scene of a dramatic mass exodus to Italy in 1991, police said Wednesday [5 Oct].

Police stopped some 10,000 people outside this port city Tuesday and another 4,000 on Wednesday, police commander Valentin Dragoj said. He said most of them were adolescents from cities in southern Albania where rumors had spread that Durres port was about to reopen.

The port was declared a restricted zone after a mass exodus in March and August of 1991 in which some 30,000 Albanians crammed aboard Albanian-flagged ships made their way to Italy. Albania was left impoverished by decades of Stalinist rule that ended in December 1991.

Deputy Warns of Constitutional Coup D'Etat

AU0410180794 Tirana ALEANCA in Albanian 27 Sep 94 p 2

[Interview with Democratic Alliance Assembly Deputy Gramoz Pashko by Skender Minxhozi in Tirana; date not given: "Albanian Politics Has Only One Color Today—That of Water"]

[FBIS Translated Text] [Minxhozi] The summer that has just ended was a very hot one for the Albanians. There was the crisis with Greece, the cholera epidemic, the Nano case, the constitution, and finally the arrest of a deputy. After all this, what will Albanian politics, in your view, look like this winter?

[Pashko] The affairs that you have mentioned could be extended indefinitely with predictable events such as the elections in Macedonia [The Former Yugoslav Republic of Macedonia], the lifting of the sanctions against Serbia, new expulsions from the ranks of the PD [Democratic Party], the problem of the constitution, the new penal code that does not provide for crimes for which many politicians are in prison today, and so on. However, a more realistic question would be to what extent does politics exist in Albania, whether there is a threat linking these events, whether they are subject to logic and to a chain of cause and effect, or whether everything remains within a tangle of absurdity that permits us nothing but guesswork and speculation. I would ask whether the solutions given to questions have been thought out for the good of Albania or are instant solutions that do not disturb the stupor of those in power. If we further compare these events to many others over the last three or four years, we can notice that they are not only repetitions but are even consequences of inflamed and unhealed wounds that seem to have been deliberately forgotten. For instance, I am quite at a loss to understand what interest we have in aggravating relations with Greece when we are aware of Greece's absurd reactions toward Albania. I can see no reason to blame the government for the cholera epidemic, and I do not agree with the label "the cholera government." However, I am sorry when I do not see the government learning lessons from this cholera. Just as I am not convinced by the verdict against Nano and the obstinacy of the government over his case, so I have suspicions about the deputy Lika. I can say that I am sorry for anyone who is arrested, but I would say to Lika that "if you sleep with a dog, you wake up with fleas." As you see, it is very difficult to connect events and to draw their logical consequences. In short, I would say that it is useless trying to call Albanian politics anything, because it has only one color, that of water.

[Minxhozi] The draft constitution has been one of the great topics of discussion this month. You have said that you foresee a coup d'etat in the PD's desire to approve the Albanian constitution by means of an appointed assembly. To what extent does the European attitude to this matter influence your anxiety?

[Pashko] As far as I know, all the various European experts with whom I have communicated, both here and abroad, are unanimously opposed to the idea of an assembly appointed especially for the constitution and made up of distinguished intellectuals and unelected chairmen of municipalities. Even though these experts are not making a fuss today, they will do so when the constitution is indeed approved in this way, and this will have a damaging effect on Albania's image. A constitution produced in this manner will slam the doors of the Council of Europe in our faces. I am very sorry to hear reactions from the PD, telling us not to mind how the constitution is approved, but to look at its content. On the contrary, violations of legality have nothing to do with the content of a law, but the way in which it is approved or applied. One cannot take exception to the content of Stalin's constitution of 1937 or the Albanian constitution of 1945. However, the manner in which they were approved and the way in which they were subsequently applied permitted all the horrors of which we are now aware. If the PD does not respect legality in the question of the constitution, the consequences will be identical to those of a constitutional coup d'etat.

[Minxhozi] Meksi and his cabinet have once again won a vote of confidence in the parliament. You were not in the chamber on that day. Would you give your vote of confidence to the current prime minister?

There is no reason to call a rotation in the country's government to be the end of the world; one group may govern today and another tomorrow, while the mill continues to turn. However, I am not in favor of the kind of changes of government that the Socialists demand. Personally, I would give my vote to Meksi because I cannot see any better solution within the context of today's parliamentary majority. The downfall of the Meksi government would be meaningless without a change in the structure of parliament, in other words without new elections. The arguments put forward so far for Meksi's overthrow strike me as inadequate. They are purely personal arguments rather than matters of principle. Politically, Meksi can be condemned not for his actions but for his inaction. It would be better for the government to act more, even if it were to make more mistakes. Let us recall that the only opinion poll ever published in Albania, that of Eurobarometer a few months ago, indicated the very interesting fact that the majority of Albanians are in favor of speeding up and deepening the reforms. This means that people are in favor of a change in the situation. Meanwhile, the Meksi government has not responded to this appeal, and the Socialists' motions, by scaring Meksi, merely compound the government's inactivity, and thus make matters worse.

[Minxhozi] The ruling party has accused the minority parties of a barrenness of ideas and a lack of alternatives. You are at the forefront of the Albanian opposition. In your view, how competitive and serious has the opposition been in Albania, and has the Democratic Alliance [AD] done all that it should?

[Pashko] I would say that there is a barrenness of ideas and a lack of alternatives in Albania in general. It was a characteristic of Albania during the communist era that no kind of thinking in opposition to communism was born or developed, nor any kind of reformist thinking within the Albanian Workers Party. Thus, political thinking of all kinds, both of the ruling party and the opposition, was developed out of nothing, as the processes of transformation were carried out. The PD is developing its political thinking as state policy, something that enfeebles its creativity and objectivity as a party. Everything that the ruling party is carrying out in Albania today is nothing but an expanded version of the programs of December 1990 and March 1992. However, many aspects of life have changed in these four years, while the PD's political thinking has scarcely evolved at all. All the debate that is being conducted is over how to carry out the reforms, and not about the reforms themselves. The PD's success in uprooting communism ends here, and its failure lies in its inability to build its own political thinking alongside the construction of a rule-of-law state. The result is that society is obliged to take its political thinking from the state, and no progress can be made.

There is nevertheless barrenness in the opposition. Look at the Socialists. What is their political thinking? Why is the Socialist alternative not elaborated, but remains merely a protest? This is because the Socialist Party [PS] has still not fully carried out its internal reform, but is still in the course of doing so very slowly. It is developing step by step alongside the politics of the day, thus falling into the trap of passive politics, and a kind of politics that talks only about getting its own back. If the PS were to assume power tomorrow, would it continue the reforms that were begun after the downfall of communism? How would the PS build a rule-of-law state, and how would it combat corruption, etc.? The Socialists reply to all these questions by saying that we would not behave like the other lot, but they do not say what they would do.

However, the entire opposition is not at all as the PD seeks to portray it. Even though there is no reason why the AD should claim the laurel wreath of Albanian politics, it remains in a position of moderation and is the only opposition party trying to demonstrate not that matters have been badly done but how they could be dealt with better. I say this because we are today the largest noncommunist opposition group.

[Pashko] The AD does not know how to attract the electorate. Without using the television terror and censorship under which we work as an excuse, we too often lack clear political thinking. Our opposition is often defective, or worse, personal, like that of the PS. The AD's leaders in their statements and articles do not know how to establish their position in the political spectrum and are turning the AD simply into a party of protest or an umbrella rather than a convincing alternative. Many warnings of these shortcomings have been issued to us, both at home and abroad, but there are many of us who do not want to realize this.

[Minxhozi] As for the Nano issue, Teodor Keko has said that it is a can that, when opened, will either save or poison everybody. Is that a literary conceit or a reality?

[Pashko] Keko's metaphor is suitable in the literary or moral sense, call it what you like. I would like to say that the time of common responsibility or the responsibility of everybody is over. People's souls will not be identically held responsible, punished, or saved. Each individual will receive his just deserts.

[Minxhozi] In three months' time, it will be the fourth anniversary of the events of December 1990 that marked the end of communism in Albania. You were one of the most charismatic figures in the first anticommunist opposition. Would you ever have imagined at that time that December 1994 would find you outside the PD? If Gramoz Pashko had the chance again, would he behave in the same way as he did?

[Pashko] At that time I was an excessively idealistic dreamer. I imagined that I might be outside the PD, because I thought that the PD after four years would emerge not as a party but as a front, or would be fragmented into many small groups or fractions in whichindividuals would find their own place. I never imagined that the PD would become transformed into a unitary and authoritarian party, something that is quite contrary to my thinking. Even though I can nonetheless explain it, I consider my expulsion from the PD to be a great stroke of luck, which has freed me from responsibility for the mistakes of its leadership today. Would I do the same today as I did then? No doubt I would, because it seems to me that I am doing so every day.

Zhelev Warns Military Against Party Interference

AU0510171594 Sofia BULGARSKA ARMIYA in Bulgarian 30 Sep 94 p 1

[Speech by Zhelyu Zhelev, president of the Republic of Bulgaria, at a meeting with the Command Staff of the Armed Forces; place and date not given]

[FBIS Translated Text] Following the resignation of Professor Berov's government, we are evidently moving toward early parliamentary elections. Within the next few days or weeks, we are likely to find ourselves with a caretaker government, whose main task according to the constitution is to hold elections for a new National Assembly within two months.

You yourselves realize that under the conditions of a sharp election struggle all and any means are employed to win votes and influence. This tendency will be heightened by the crisis situation in which the election campaign will be waged.

On the other hand, the grave state of the Armed Forces and the servicemen's unresolved social problems not only negatively affect thinking and motivation to serve, but also provide favorable soil for political speculations, populism, promises that cannot be fulfilled, and manipulation of the army on the part of certain party leaders and headquarters. That cannot be permitted! It is not only illegal, but also very dangerous for political struggles and partisanship to be introduced into the units of the Armed Forces, and this may have unforeseeable consequences for civil peace in Bulgaria!

For this reason, any attempts by politicians to visit units, to introduce propaganda materials or party publications, or to meet with personnel during working time and on army property are impermissible and illegal. Such attempts should be rigorously prevented with all the powers entrusted to you and with all legal consequences for the offenders. The Political Parties Act is crystal clear, and it provides you with these rights.

Of course, no one can take away the right of every Bulgarian citizen, including citizens in uniform, to have their own political convictions and sympathies or antipathies toward any political force.

However, the right places for servicemen to express these sympathies and convictions are the polling stations and ballot boxes on election day.

It is very important to realize that the army can successfully fulfill its role of guarantor of civil peace only as long as it remains a supraparty state institution that defends national interests and guarantees state sovereignty and Bulgaria's territorial integrity. The Army cannot allow itself to be drawn into political struggles and the political games of individual parties and coalitions.

For several years now, we have managed to prevent the Bulgarian Army from becoming involved in politics. This is to a large extent due to the Depoliticization Act, which—and I emphatically want to remind you of this—was welcomed and accepted with responsibility and understanding by the Bulgarian officer corps.

At a meeting of the Consultative Council on National Security today, we discussed the financial position and the material and technical state of the army and the necessary decisions that the responsible state institutions will have to take.

The state and society are in the debt of the Armed Forces. The problems that we are encountering sharply affect the state of the Bulgarian Army and the other forces, mainly as regards their supplies. The state is suffering a severe economic crisis, but we are seeking possibilities to solve the problems by supplying spare parts and materials for weapons and combat equipment from every possible source. We are seeking ways and unutilized resources to alleviate the social situation of the servicemen and their families and to improve material and equipment supplies and combat training.

We will continue our talks on the most pressing and specific problems affecting the army during the working lunch.

Thank you for your attention.

Center Predicts BSP Victory in Next Election

AU0510145894 Sofia DUMA in Bulgarian 30 Sep 94 p 2

[Report by Dora Chichkova]

[FBIS Translated Text] According to the results of an investigation by the National Center for Investigating Public Opinion [NCIPO] that were presented to journalists yesterday, the BSP [Bulgarian Socialist Party] would win 121 seats in the parliament if elections were held now, under the existing electoral law. The votes of 24.6 percent of the total electorate would give the party an absolute majority. This is 42.6 percent of those who promised to cast their votes, who make up 60 percent of the total electorate.

At the same level of participation, the SDS [Union of Democratic Forces] would receive 17.8 percent of the votes of all electors (30.9 percent of the votes cast), giving them 88 seats. The DPS [Rights and Freedoms Movement] would receive 3.5 percent of the total possible votes and 6.1 percent of the votes cast, giving them 17 seats. Anastasiya Mozer's BZNS [Bulgarian National Agrarian Union] would win 14 seats with 2.8 percent of the total possible votes, or 4.9 percent of the votes cast.

Only the DAR [Democratic Alternative for the Republic] coalition and the monarchist parties appear to have any chance of crossing the 4-percent barrier.

The investigation indicates that only 17.5 of the registered voters will definitely cast their votes. This is approximately the same as in the previous elections (16 percent), NCIPO Director Asen Yosifov believes that the parties and politicians have the funds and good chances to persuade the voters who are wavering (representing 22 percent) to take part in the elections. He asserts that voters will be impressed by new figures who demonstrate their devotion to the traditional Bulgarian values of family and children in convincing socioeconomic programs. No odds are being offered any longer on the chances of "street" politicians.

Yanaki Stoilov is the favorite of the BSP, and Ivan Kostov—of the SDS. Among the party and parliamentary leaders, Zhan Videnov stands second in the approval rating, slightly behind Aleksandur Tomov. Filip Dimitrov's rating has fallen disastrously during recent months, and Dimitur Ludzhev's popularity is also extremely low, while his New Choice alliance can only collect half a percent of the votes.

Among those who voted for the BSP in 1991, but will not do so now, the decisive factor is disenchantment in the fact that, while having changed many things—its structure, strategy, and name, the BSP has not managed to replace many of its top leaders and has failed to fully acknowledge the negative aspects of its past.

Former SDS voters are disillusioned most of all by their chosen representatives' lack of experience, rude confrontational behavior, the petty bickering, settling of old scores, and desire for personal benefits. Among the SDS voters and supporters, Stefan Savov's political line receives more support (31.6 percent) than Filip Dimitrov's (28.4 percent). However, the majority would act differently when the time comes to cast their votes: 11.5 percent (of all voters) would vote for the SDS headquarters, compared with 6.5 percent for the parliamentary group. According to the study, there is an increasing trend toward support for the "strong arm."

Questions Raised About Politician's Drowning

AU0510132794 Sofia DEMOKRATSIYA in Bulgarian 30 Sep 94 p 1

[Commentary by DEMOKRATSIYA Editor in Chief Ivo Indzhev: "Between the Blow and the Anvil"]

[FBIS Translated Text] The death of the man, of SDS [Union of Democratic Forces] Deputy Ilko Eskenazi, is a shock. It is a numbing blow. However, this is only the first reaction. Even sorrow cannot stifle the questions that will inevitably surface.

Should any questions be raised before the post mortem is completed?

Does not the very publicizing of theories concerning the reasons that led to Ilko's death induce fear in the minds of SDS supporters in particular?

However, will not their silence be regarded as a sign of acquiescence and impotence?

Why should this have happened to none other than Ilko Eskenazi, one of the best informed specialists on economic issues among our political elite?

An SDS mayor is slaughtered, the house of another mayor is set on fire, the most important witness in the red death camps trial is murdered in the most brutal fashion, the SDS champion swimming in the stormy waters of the law and the economy drowns in a calm sea—have there not been rather too many accidents?

What conclusions should the democratic opposition draw? Should it remain a silent anvil, passively waiting to receive the blow?

Ministers Comment on Privatization of Refineries

Privatization Minister

AU0510153494 Prague HOSPODARSKE NOVINY in Czech 28 Sep 94 p 11

[Article by Jiri Skalicky, minister for the administration and privatization of national property: "Path Toward Successful Future of Czech Refineries and Petrochemical Industry"]

[FBIS Translated Text] The Czech oil refineries and petrochemical industry represent a complex of 12 main companies employing more than 28,000 people.

Primary Task

This branch of industry is described as strategic, which is not accurate when referring to the branch as a whole. From the security and economic viewpoints, only the transportation and storage of crude oil and the production, storage, distribution, and sale of fuels are of strategic importance. These elements of the refinery industry are vitally important to guarantee the defense and security of the state and the functioning of its economy. Along with electricity and communications, they function in the state organism like blood in the human body. Of key strategic importance are, first and foremost, oil and product pipelines (which are associated today in the MERO Czech Republic a.s. [stockholding company] and the CEPRO a.s.), refineries (Chemopetrol Litvinov a.s. and Kaucuk Kralupy a.s.), and the basic skeleton of the distribution and sales network (particularly the Benzina a.s.). The primary task of the branch is to preserve the independent and functional existence of those elements of the industry on our territory.

It was on the basis of these facts that the government's economic ministers approved, in May 1993, the basic concept for the privatization and restructuring of refineries and the petrochemical industry, dwelling in the separation of the refinery parts of Chemopetrol a.s. and Kaucuk a.s. and in the search for a strategic investor that would guarantee their modernization at a level maintaining and increasing their competitiveness and, hence, their chance of surviving in an increasingly fiercer competitive environment.

Competition and Investment

The capacity of nearby refineries in Austria, Germany, and Slovakia represents a serious threat to the existence of our refineries. Lower production costs put foreign-made fuels (gasoline, diesel oil) at an advantage against domestically made fuels. Our obsolete refineries produce fuels at prices about 10 percent higher than the price of imported fuels. The internal reason is that neither the Litvinov nor the Kralupy refinery is equipped with so-called in-depth crude oil processing, which permits more efficient and cost-effective production of gas and diesel car fuels. Total investments needed to offset this handicap exceed the sum of 20 billion korunas [Kc]. Moreover, the situation is dramatically compounded by the fact that, within two years, a new refinery will go into operation at Leuna, Germany, near our border. Its processing capacity (9 million metric tons of crude oil annually) virtually equals the combined processing capacity of domestic refineries.

The need to modernize both our refineries has assumed the form of a race against time. The share of imported fuels on the Czech market has been rising dramatically since 1993—in the first half of 1994, they accounted for 28 percent of gasoline sales and over 30 percent of diesel fuel sales. If the Czech state does not want to resort to means from the arsenal of rigid protectionist measures (and get into conflict with its own orientation toward conditions in European Union countries) it has no choice but to extensively and, above all, rapidly invest in the modernization of domestic refineries' production.

The refineries' production is the gateway to spin-off petrochemical production. For a number of companies—CHZ Sokolov, Lovochemie Lovosice, Spolana Neratovice, and others—the Litvinov refinery, in particular, is the main supplier of raw materials. The main problem of these companies' economy is that, while the refineries operate today in market conditions, these companies buy from them semifinished and intermediary products at prices that tend to be lower than (European) market prices (the same holds true for petrochemical production in Kaucuk Kralupy). The refineries (chiefly the one in Litvinov) thus essentially subsidize the petrochemical industry and sustain petrochemical companies in a "glass house" environment that does not compel them to eliminate lines of production that are not viable in the long term, as would otherwise be natural.

The Options

The strategic nature of the development of refineries also found its expression in the decision to diversify the geographic sources of crude oil and make us less dependent [on supplies from Russia], by building a second main source—the Ingolstadt oil pipeline. While the immediate security risks are limited by the construction of the oil pipeline per se, the return on this investment and the cost-effectiveness of its operation are no less important aspects. This requires, first and foremost, an optimal utilization of this source and, hence, the safe operation and competitiveness of oil refineries.

The conclusion is the same: The Czech Republic vitally needs an a priori strong primary crude oil processing industry that is capable of independent existence. This can be secured only by a massive and speedy modernization of refineries and the utilization of the refineries' profits predominantly for their own development, in lieu of these profits being watered down in an imperspicuous tangle of loss-making productions. We are thus facing a fundamental decision—to guarantee mainly the preservation and development of refineries (which are of key importance for spin-off productions) or to continue to protect (how much longer?) the entire complex against natural restructuring at the expense of those elements that are of essential importance for its existence.

Consortium's Offer

Basically, we avail ourselves of two specific alternatives. The first is to make refinery operations partly independent and conclude an agreement with a strategic investor who would markedly contribute to the refineries' called-for (quick) modernization. This requirement is met by the offer made by a consortium of foreign firms (Total, Agip, Conoco, Shell). From the viewpoint of an analysis of the branch's strategic position, the discussion about a sellout of Czech companies or about lucrative parts of the industry being torn out is out of place. First, the foreign partner is not buying Czech companies but, quite the contrary, contributes capital necessary for their modernization in the form of increasing basic capital, in the form of an initial injection of $173 million (roughly Kc5 billion), and in the form of follow-up investments (in a ratio according to the two partners' stake in equity, up to a value of $1 billion). In contrast to all other offers, these resources remain at the refineries' disposal for their own development because they flow into the National Property Fund (and not into production enterprises).

The argument about the other elements of the industrial branch being "left in the lurch" is misleading, for at least two reasons. The first is that, without the survival of competitive refineries, the Czech petrochemical industry, too, is doomed to extinction. The other reason is the technological dovetailing of refineries and the petrochemical industry. Even during the modern in-depth processing of crude oil, a gigantic volume of intermediary products is left (in the Litvinov refinery, it amounts to approximately 1 million metric tons [annually] today), for which it is necessary to find a market. In view of the economic specifications of production, there exists no other market for these intermediary products but the Czech petrochemical industry. Each owner of refineries will always be forced, in the reality of standard trade negotiations, to seek feasible means of marketing his by-products.

Holding Solution

The other main alternative (submitted in specific shape by the management bodies of Kaucuk Kralupy and Chemapol) dwells in the creation of a holding [preceding word published in English] superstructure, within the framework of which oil trading, primary processing, petrochemical production, and the distribution and sale of products should be interlinked. Such a structure will always have the natural inclination to redistribute resources within this vertical chain and to siphon off profits from refineries like energy from the engine of the entire complex. Linking everything from the import of crude oil down to the sale of oil-based products gives the owner (holding) formidable influence over the entire branch. Chemapol a.s., an organization with a basic capital of Kc200 million, is to become an important element in this structure and, at the same time, its investor. It would invest in the complex mostly resources from the refineries' profits (besides bank loans). However, this is capital that belongs in part to the refineries themselves because Chemopetrol Litvinov and Kaucuk Kralupy are major Chemapol shareholders. Therefore, what is involved, in part, is privatization for the money of the company being privatized.

Even more important is the fact that, under this model, the buyer of shares will be forced to pay the purchase price (which will go to the National Property Fund and not to the companies for modernization) primarily from the refineries' profit, and, therefore, it will not be possible to use these resources for the development of production. The offer clearly reveals the intention to seize control over as extensive a part of oil refineries and the petrochemical industry as possible. Besides, Chemapol is acquiring in privatization additional shares in companies of the chemical industry (in a total value of more than Kc2 billion), which it also has to repay as the co-owner of refineries and from their profits. Finally, it is worth noting that an important part of shares in Chemapol itself belongs to managers and employees and that, under the proposed model, at least 15 percent of shares is to be sold to individuals "according to their interests, possibilities, and needs," as the accompanying comment nonchalantly adds. In a company like that, interests are not a guarantee of long-term patience in the necessary reinvestment of profits. From the viewpoint of the owner's individual conduct, it is not easy to display this patience.

Need for Investments

The responsibility of making decisions on the privatization and restructuring of Czech oil refineries and the petrochemical industry is exceptional and cannot be compared with that for the privatization of the consumer goods industry, for example. The scope for this decision-making is becoming increasingly narrow, proportionately to growing market pressures from the outside. Czech refineries urgently need to stand on their own feet, which can only be achieved by teaming up with a strong strategic investor. We cannot be bound to pressures of interest groups that sense that the opening of the market would mean an end to their comfort. It is all too obvious that their fear of the foreign partner is self-serving. The whole of Central Europe, at the very least, represents the relevant market in this branch, a region that is interwoven with the interests of strong supranational concerns. We cannot keep our position on this market by making ourselves comfortable at home. It is our natural duty to prepare conditions for the entry of a (any) strategic investor who will guarantee the existence of the strategically crucial parts of this industrial branch, allow its other viable elements to survive, and provide legal and economic guarantees for the future.

Industry, Trade Minister

AU0510171394 Prague HOSPODARSKE NOVINY in Czech 30 Sep 94 pp 1, 3

[Interview with Industry and Trade Minister Vladimir Dlouhy by Olga Skalkova and Martin Frydl; place and date not given: "For Two More Years, the Czech State Will Continue to Have the Say on the Refineries"]

[FBIS Translated Text] [HOSPODARSKE NOVINY] Why did the Council of Ministers and then the government agree this week, after all, to the entry of the International Oil Consortium (ICO) into the refineries and their segregation from the refinery-petrochemical complex?

[Dlouhy] Because of the complexity of the problem, one should not be surprised that various solutions were put forward at various stages of the discussion. The pros and cons for each of the alternatives were strong. Also, the problem was politicized, it was said that we are blazing a trail for foreign capital, and so on. I am glad that the Council of Ministers and government were guided by a single principle—namely, to find objectively the best alternative.

[HOSPODARSKE NOVINY] On the basis of what arguments did the government decide in favor of the IOC rather than the so-called holding arrangement proposed by the Czech firms?

[Dlouhy] In August, the Council of Ministers described oil resources and the transportation of oil, the processing of oil into fuel, the buildup of appropriate stocks, and state control in the sector as the strategic kernel of the refinery-petrochemicals industry. The petrochemicals industry, where production from the refineries is an important input, cannot manage without strong refineries. Conversely, modernized refineries will pull the petrochemical industry forward. The refineries must be modernized rapidly and successfully, and an advanced foreign partner gives good guarantees of this. According to some calculations, if our conditions regarding the transfer prices between the refinery and petrochemical sectors are accepted, the petrochemical industry could become profitable in the future. What is more, the expected job losses will not be as bad as claimed. Although the petrochemical industry and refineries generate most of the profits in both Litvinov and Kralupy, they account for the smaller part of the jobs. Service operations and operations not directly related to petrochemicals and refineries provide 75 percent of the jobs.

[HOSPODARSKE NOVINY] What is the structure of the arrangement proposed by the government?

[Dlouhy] There will be a property merger between Kaucuk Kralupy and Chemopetrol Litvinov. At any rate, a single unit will be formed. The National Property Fund will have a majority holding until all of the state's strategic interests are completely secured.

[HOSPODARSKE NOVINY] Among the arguments in favor of keeping the refineries in Czech hands was the fact that the Czech Republic would be depriving itself of a part of the lucrative returns from the sale of gas.

[Dlouhy] We will insist on full reinvestment of profits in the first years.

[HOSPODARSKE NOVINY] What exactly is the IOC offer?

[Dlouhy] I think you should ask the consortium that. Nonetheless, we insist on the price of $180 million for the refineries, and on $520 million worth of necessary investments. We also passed on to the IOC other requirements that must be respected in the contracts.

[HOSPODARSKE NOVINY] What security will the Czech party require in order to ensure that the ICC fulfills its investment promises and that the case of Skoda Mlada Boleslav [and Volkswagen] is not repeated in the refineries?

[Dlouhy] The expected development in demand for fuel and petrochemical products on the Czech market, and not only there, is more certain than the Skoda and Volkswagen concern's expectations were then. Signs of economic recovery are quite clear in many countries now. Nevertheless, the problem of keeping the investment promises will be a topic in the coming negotiations. They will be tough, and they must result in a statement of the division of the decisionmaking powers of the two owners, which must correspond to their share of the property. The IOC will have a minority stake for now, but, once the Ingolstadt pipeline is completed, a strategic stock of the raw material accumulated, and the overall situation stabilized, we do not rule out a transition to a majority holding. I expect, however, that the foreign partner's minority position will continue for at least two years.

[HOSPODARSKE NOVINY] Would it be acceptable for the IOC to hold a minority property share with a majority decisionmaking power?

[Dlouhy] No, and the IOC has already confirmed this.

[HOSPODARSKE NOVINY] What conditions has the Czech side formulated, and to what degree have they been accepted?

[Dlouhy] The IOC more or less accepted the specified conditions. It confirmed, for instance, the consolidated tariff of 14.40 German marks per metric ton for the transport of oil via the Ingolstadt and Druzhba pipelines. The price requirements for the refineries' power input have also been specified. The IOC will accept prices common in the Czech Republic from the very beginning.

[HOSPODARSKE NOVINY] What development can one expect in the price of petrochemical products?

[Dlouhy] There is a lot of speculation that they will increase sharply. While we do not expect dramatic changes, we have to expect a certain impact. There would be the same shift in prices, however, if a purely holding arrangement were adopted as proposed by the Czech firms. The price move could be slowed down but at the cost of maintaining the redistribution mechanism within the holding. We are concerned that that would preserve the present inefficiency. The profit generated in the refineries that ought to be reinvested would thus be scattered.

[HOSPODARSKE NOVINY] Will the Czech state get involved in modernizing and restructuring the petrochemical industry?

[Dlouhy] Certain technical entities will be segregated, and strategic partners will be sought for some of them, domestic or foreign. If the negotiations are successful, our support for foreign capital means that numerous interesting offers will come in for the spin-off industry, conceivably also from the domestic chemical firms. We have begun to notice a certain activity already. We do not want to organize the mass purchase of the Czech chemical industry by foreign capital. Nevertheless, we claim that a reasonable and balanced inflow of foreign capital is necessary for this country.

[HOSPODARSKE NOVINY] So, what will be the next steps?

[Dlouhy] I want to emphasize that the specific negotiations with the foreign consortium are only too open and that the outcome is not 100-percent certain. I would like to cite the recent interest shown by the U.S. firm Dow Chemical in Chemicke Zavody Litvinov as an example. Although the government approved the negotiations with this firm at the level of strategic decisions, the two parties eventually went their separate ways. At any rate, the negotiations with the IOC will start as soon as possible. The actual proceedings should be prepared and submitted to the government by 15 October.

President Views Slovak Political Situation

LD0510212994 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 2030 GMT 5 Oct 94

[FBIS Translated Text] This evening Slovak President Michal Kovac returned from Strasbourg in France, where he had met leading officials of the Council of Europe and addressed its Parliamentary Assembly.

During a news conference he gave in Bratislava to assess his trip, Kovac also gave his view on the internal political situation. Among other things, he said he was able to imagine his cooperation with Vladimir Meciar in the post of prime minister of the Cabinet, but Meciar should get over some problems as regards his relationship with the president.

Kovac said he did not intend to resign from the presidential post because he did not have any serious reason for taking this step. According to him, given the relatively short existence of the Republic, it is necessary to strengthen its constitutional system instead of attempting to destabilize this system.

The attitude of the HZDS [Movement for a Democratic Slovakia]—namely, the way Ivan Lexa and Olga Keltosova behaved at the meeting of officials of the parliamentary political parties—was described by Kovac as unfortunate. According to him, the atmosphere of arrogance and lack of respect toward the president made a very crushing and negative impact on those who attended the consultative meeting. It also contradicts the HZDS's promises made before the elections.

Discussion of Slovak Election in U.S. Denied

AU0510125394 Bratislava SME in Slovak 4 Oct 94 p 2

[TA SR report: "P. Demes Is Not Holding Consultations on the Composition of the Government in the United States"]

[FBIS Translated Text] Bratislava—Pavol Demes, director of the Foreign Affairs Department within the Office of the President, is taking part in a conference entitled "The United States and Central Europe and Their Relations," which is being held in Chicago from 2 to 8 October. This information was made available yesterday by presidential spokesman Anton Balaz, who thus refuted the report circulating in media circles that P. Demes had apparently flown to the United States to hold consultations on the composition of the new Slovak Government. A. Balaz said that P. Demes received an invitation to the conference from the Aspen Institute in Berlin and the Chicago Council on Foreign Relations on 25 May of this year. The subject of the conference is U.S.-Central European political and economic relations.

Meciar Answers Kovac's Letter on Coalition Talks

LD0610105294 Prague Radiozurnal Radio Network in Czech 1000 GMT 6 Oct 94

[FBIS Translated Text] Talks on the formation of a new government are in progress in Slovakia. Vladimir Meciar, leader of the victorious Movement for a Democratic Slovakia [HZDS], has answered Slovak President Michal Kovac's letter. Our correspondent Renata Havranova, who is in Bratislava, has more details.

[Havranova] Vladimir Meciar today answered Michal Kovac's letter authorizing the HZDS and Farmers' Party coalition to conduct talks aimed at the formation of a coalition government.

Vladimir Meciar and Pavol Delinga, chairman of the Farmers' Party, say in the reply that the victorious coalition has opened talks with the representatives of political entities that will be represented in parliament. They expressed a conviction that, on the basis of these talks, both the HZDS and the Farmers' Party will succeed in forming a government that will enjoy the necessary support in parliament and will be a guarantor of stabilization of conditions in Slovakia.

The two representatives of this coalition went on to remind the president that it does not depend on the president to organize consultations, set deadlines, and instruct individual parties to conduct political talks, and that, as president, he should function only within the framework of the duties set by the Constitution.

Vladimir Meciar and Pavol Delinga went on to say that the president's endeavor to persuade the voters not to vote for the HZDS and its representatives does not amount to an objective guarantee that a coalition agreement will be attained. They assure Michal Kovac that they will report to him immediately after the necessary political talks finish.

HZDS Says Kovacs Disrespects Will of Citizens

LD0510164694 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 5 Oct 94

[FBIS Translated Excerpt] It is natural that today, too, we want to find out about the state of the negotiations between the election winners, the Movement for a Democratic Slovakia [HZDS], and representatives of other political entities. These talks should result in the formation of a new government. According to official information obtained from HZDS headquarters on Tomasikova Street [Bratislava], negotiations with a number of political groups are under way. Milan Velecky interviews Katarina Tothova, HZDS deputy in the Slovak parliament.

[Begin recording] [Velecky] Professor, yesterday the Slovak president sent a letter to the HZDS chairman in which he instructed him to conduct negotiations regarding the formation of a new government. What is the HZDS reaction to this letter?

[Tothova] The letter addressed to Vladimir Meciar amounts to a mere authorization given to the coalition between the HZDS and the Farmers' Party of Slovakia to open talks on forming a new government. It is not an authorization for the chairman of the victorious party to form a government, which is the rule in democratic countries.

It appears that, instead of drawing conclusions for himself from his erroneous evaluation of the situation in Slovakia in March of this year, the president is still harboring the same attitude toward Meciar that he did in March and does not respect the democratically expressed will of the citizens.

[Velecky] But the truth is that the HZDS and Farmers' Party of Slovakia coalition, plus its natural ally, the Slovak National Party, will have 70 deputies in the new parliament. To form a government, if it is to be a majority government, another six deputies still have to be found. Do you not think that a more logical course of action would be if the coalition first attempted, by consultations with other political entities, to find these deputies and that the president should entrust the task of forming a government to Vladimir Meciar only after this is accomplished?

[Tothova] Yes, but this is a task for the chairman of the victorious party, and he himself should organize it. The president is not entitled to organize and interfere in these discussions, in these coalition talks.

[Velecky] Ms. Tothova, can I ask for your view? What would be preferable for you? That the coalition between the HZDS, the Farmers' Party of Slovakia, and the Slovak National Party should gain from various political entities at least the six deputies it still needs for a majority government, or that it conclude a coalition agreement with another partner?

[Tothova] The HZDS objective is to form a stable government that will ensure the proper development of the Slovak Republic and its economy.

[Velecky] But what about my question of whether it is more preferable for you to gain deputies on an individual basis or by concluding an agreement with other political entity?

[Tothova] I told you what our objective is. [passage omitted] [end recording]

HZDS's Withdrawing to Opposition 'Unacceptable'

AU0510132394 Bratislava NARODNA OBRODA in Slovak 4 Oct 94 p 2

[TA SR report: "The Alternative of Being in the Opposition Is Unacceptable to the Movement for a Democratic Slovakia"]

[FBIS Translated Text] Bratislava—The seven parliamentary parties must ultimately guarantee stability in Slovakia. This comment was made by Viliam Sobona, head of the Movement for a Democratic Slovakia's [HZDS] election team and former health minister, on yesterday's midday edition of Slovak Radio's "Radiozurnal" program. According to him, if the coalition is to be strong and stable, it must have at least three representatives. If a coalition is formed, Sobona considers the Slovak National Party to be a certain partner; the negotiations held over the next few days will determine who the others are to be, however. He added that the alternative of withdrawing to the opposition is unacceptable to the HZDS. In his opinion, at the moment, it is necessary to regard the statements made by HZDS representatives as the views of individuals and not of the political entity as a whole.

Police Drop R. Kovac's Complaint Against Meciar

AU0510162294 Bratislava PRAVDA in Slovak 4 Oct 94 p 1

[Article by "(jo)": "Roman Kovac's Complaint Has Been Dropped"]

[FBIS Translated Text] Bratislava—It is apparent from the statement made yesterday by Jaroslav Ivor, director of the Office of Investigations within the Interior Ministry Police Corps [PZ MV], that, having examined the complaint submitted by Roman Kovac in connection with comments made by Vladimir Meciar, the PZ MV Office of Investigations investigator dropped the matter yesterday in accordance with Article 159, Paragraph 1 of the Penal Code, because, according to his findings, there was no suspicion in it that a crime had been committed. R. Kovac submitted a complaint and asked that criminal proceedings be initiated against V. Meciar for accusing him, at a Movement for a Democratic Slovakia meeting in Bratislava on 4 May 1994 and then on the "Kroky" television program on 8 May, of accepting a bribe of $5 million. According to Ivor, the investigator is to ask the Financial Police Office to look into the veracity of the reports on the provision, promise, or acceptance of a bribe amounting to the aforementioned sum.

ROI Chairman First Election Casualty

AU0510145994 Bratislava SME in Slovak 4 Oct 94 p 3

[TA SR report: "The Chairman of the Romany Civic Initiative Has Resigned"]

[FBIS Translated Text] Kosice—"Following the results of the parliamentary election, I have decided to resign as chairman of the Romany Civic Initiative (ROI) in Slovakia. Nevertheless, I will continue to be involved in politics but as chairman of the Union of Romany Youth and Children in the Slovak Republic, and I will orient myself more toward these age groups." This statement was made in Kosice yesterday by ROI in Slovakia Chairman Jan Kompus. He will carry on as ROI chairman only until its next congress. He emphasized that, according to the preelection public opinion polls conducted by the FOCUS agency, 2 percent of voters in Slovakia as a whole expressed support for ROI, while the figure for East Slovakia was almost 3.9 percent. In his opinion, the poor electoral showing is a result of the lack of unity among the Romany ethnic minority. The ROI chairman also described its pitiful financial situation in the election campaign and the activity of the non-Romany political parties as the other reasons for the initiative's electoral failure.

Christian Democrats' Official on Future Government

LD0410212794 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 4 Oct 94

[FBIS Translated Excerpt] Support for the stability of the institution of the president, confirmation of the success of the Hungarian coalition in the election, and the prospects of the new government were the topics of a news conference of the Hungarian Christian Democratic Movement. [passage omitted]

Pal Farkas, deputy chairman of the Movement, is interviewed by editor Peter Turcik about the possible variants of a new government:

[Begin recording] [Turcik] In your thoughts about possible coalitions in the new Slovak Government, you exclude the possible alliance between the Movement for a Democratic Slovakia [HZDS] and the Democratic Union. What other possible alliances do you have in mind?

[Farkas] According to us, the president will have no way out but to ask the Movement for a Democratic Slovakia to form the new government. In two weeks' time, we will be somewhat wiser because we will know whether the HZDS will be able to form a government. If it is unable to form a government, there will be other options, but I feel it is most realistic that the new government will be the current government coalition plus the Hungarian coalition with the support of the Association of Workers of Slovakia. We do not rule out the possibility of our participation in such a possible government coalition, and we have informed the partners with whom we have had talks over the past few days about this.

[Turcik] We heard at your news conference that yesterday was very significant for you in that it was the first day of preparations for the future parliamentary election. Does this mean, as the Hungarian coalition understands it, that in the very near future you would envisage the possibility of a fresh parliamentary election?

[Farkas] In our view, this election did not solve anything, and one must bear in mind that the government that will be formed after this election will be a temporary one. It will not be able to safeguard political stability, and, where there is no political stability, there cannot be economic stability. [end recording]

Slovak TV Abused Position During Election

LD0510143294 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 0600 GMT 5 Oct 94

[FBIS Translated Text] At an extraordinary session, the Council of Slovak Television assessed the objectivity and independence of programming during the election. It concluded that Slovak Television failed to allow all parties running in the election equal access to airtime during the election campaign and that, in news reporting in the course of the first day of voting, it indirectly served the interests of one political entity and thus abused its position as a public institution.

Editors Protest STV's Pro-HZDS Slant

AU0510124194 Bratislava SME in Slovak 3 Oct 94 p 2

[Article by "(bog)": "Twelve Editors From the Slovak Television News Production Center Have Distanced Themselves From the Contributions of Their Colleagues, Who Violated the Election Law on Friday's 'Aktuality' Program"]

[FBIS Translated Text] Bratislava—"Ivan Gasparovic, chairman of the National Council of the Slovak Republic, a Movement for a Democratic Slovakia [HZDS] candidate, was in the building on the evening of 30 September, when the first 'Aktuality' program was being broadcast. I consider this to be scandalous," said one of the editors from the Slovak Television (STV) News Production Center to SME in reference to the first "Aktuality" program broadcast on Friday evening. Twelve editors from the News Production Center have issued a joint statement in connection with this broadcast, in which they clearly distance themselves from the contributions made to the program by their colleague and the presenters, who prepared items for the program that publicized one movement and one leader—HZDS Chairman V. Meciar.

"In our opinion, they deliberately violated journalistic ethics and cast doubts on our independence and impartiality and also on the objectivity of television as a public-legal institution. We disagree fundamentally with any editor from the News Production Center supporting any political party or movement and giving it preference in its contributions. We also protest against visits to 'Aktuality' by the political entities' functionaries, as happened on 30 September 1994, for example, aimed at appearing on the screen and thus interfering in the regular course of the individual news programs. We protest against the violation of the television moratorium introduced for the political entities and their leaders, a moratorium that came into force 48 hours before the election and during it. At the same time, we demand that the STV Council complies with the resolution according to which STV management should take specific steps for repeated violations of the election law," says the statement issued by the 12 editors from the STV Production Center.

The Slovak Electoral Commission's Point of View

According to the resolution issued by the Slovak Electoral Commission (SVK) on the evening of 30 September, "Article 23, Paragraph 6 of the election law was violated during Friday's transmission of the first 'Aktuality' program, when STV broadcast a commentary on a statement made by the voter V. Meciar." According to the SVK, the same thing—that is, citizens not being allowed to vote because of shortcomings in the registers of voters—happened to several citizens and politicians. However, STV broadcast only comments by the leader of one party and, in a commentary, quoted from the statement issued by this entity's press office. The Slovak Electoral Commission has asked the Council for Radio and Television Broadcasting to draw conclusions from the repeated violation of the election law. All of the SVK's members voted for this resolution, except for the representatives of the HZDS and the Slovak National Party.

Some political parties—for example, the Christian Democratic Movement, Common Choice, and the Democratic Party-Party of Entrepreneurs and Businessmen—have also protested against Friday's "Aktuality" program.

A Statement by the STV Director

STV Central Director Ivan Stadtrucker said the following to TA SR: "On 30 September 1994, as the chairman of the Slovak Electoral Commission has said, the law on elections was violated. An STV news team witnessed an incident and informed the public about it by broadcasting a news item. The citizen who appeared in this item was exercising his basic right in a democratic society—the right to be able to vote. The STV management will subject the conduct of the 'Aktuality' team and the method by which it informed viewers of this incident to a thorough analysis from the point of view of the valid legal stipulations and will inform the public of the outcome."

So far, we have been unable to obtain a response from either the Council for Radio and Television Broadcasting or the STV Council.

Editor Y.B., who prepared the aforementioned commentary in the HZDS's favor on Friday, also worked during the weekend and prepared reports on the Slovak Electoral Commission's meetings for STV's broadcasts.

Comment: Election Results Did Not Solve Crisis

AU0510191694 Bratislava SME in Slovak 3 Oct 94 p 4

[Commentary by Robert Kotian: "From Anywhere to Anywhere"]

[FBIS Translated Text] The early parliamentary election has produced results with which no one, not even the winner, can be satisfied. Given Vladimir Meciar's well-known aversion to forming a coalition government and his proven inability to rule even with close political allies (Milan Knazko, Jozef Moravcik, Michal Kovac), it would be similarly difficult, if not outright impossible, for him to govern together with partners who have different views. It is also necessary to keep in mind the personal aversion existing between him and the majority of top-level Slovak politicians. From this viewpoint, the election has not brought any unequivocal solution to the crisis that arose in Slovakia in March of this year and that was partially resolved by the then change of government. It has become a potential source of further growth of tension in society, which can only be averted if politicians find a method of effective and consensual communication.

On the other hand, the election confirmed that about one-third of Slovak citizens do not mind when someone uses lies, blackmail, intimidation, and corruption as methods of political work. From the viewpoint of Slovakia's future and its international position, this represents a serious warning.

Three parties can be more or less satisfied. This is true, in particular, of the Hungarian Coalition, which has become the third-strongest political entity and whose ideas about ways of solving the minority problem will now be even more difficult to ignore than previously. It can even be assumed that it will depend on the composition of the [future] government coalition (for example, on the place, if any, of the Slovak National Party in it) whether the radical Miklos Duray or the more consensus-prone Vojtech Bugar will have the main say in this ethnic minority. The Association of Workers of Slovakia [ZRS] need not hide its satisfaction either because [ZRS Chairman] Jan Luptak managed, after only a few months of the party's existence, to get 13 deputies into parliament, in which he will no longer feel so lonely as heretofore. Of course, this does not rule out the possibility that, after the problem of government formation is resolved and after a few months of the new government's operation, he will wake up and realize in whose colors he, unwittingly, contested the election. The Democratic Union [DU] (despite a reduction in the number of its deputies) does not have to hoist black flags, either: It managed to get into parliament, something the preelection polls did not guarantee. The causes of DU's electoral success could be varied—the credibility of Prime Minister Jozef Moravcik, voters' fear that their votes might be forfeited if they voted for the Democratic Party, or the leaning of a part of the electorate toward some kind of "third path" represented by the DU. (When I speak about a "third path," I am thinking of the past of its leaders, the party's unclear profile, its endeavor to find an economic reform variant that would not be too painful, and the feelings of former Movement for a Democratic Slovakia [HZDS] voters, which are comparable with society's attitude toward pre-November [1989] dissidents).

The election ended in an unambiguous failure for the Party of the Democratic Left [SDL] (the SDL-led quadripartite coalition squeezed into the National Council of the Slovak Republic by a 0.41-percent margin!) and the Democratic Party. The Democratic Party will have to ponder how to proceed further in building the civic right. The party is facing three alternatives—to accept possible deputies from the Permanent Conference of the Civic Institute [SKOI] as its own and stay in high politics; to forge closer ties to DU; or to stay in its clearly defined place in the political spectrum and "wait" for Slovak society to become ripe. The expected synergy effect of the alliance of four political entities did not materialize for the SDL, and it is to be expected that this result will find its reflection in changes in the SDL leadership. If it becomes apparent that Peter Weiss's variant of a broad coalition (including even the Christian Democratic Movement [KDH], if necessary) is more acceptable to the party than the expected rapprochement with the HZDS, which is being pushed by other SDL leaders, it could be a good contribution to the future for Peter Weiss to resign from his post [of SDL chairman]. The SDL's internal split and the heralded making a clean sweep could be more promising for the party, from the viewpoint of its more principled evolution in the social democratic direction, than collaboration with the victorious movement. (As a matter of fact, Socialist International Chairman Pierre Mauroy also had something to say about this). Even though the model offered by Weiss—that is, a broad HZDS-DU-KDH-Common Choice coalition—could save his post of party chairman, the workability of this alternative can be seriously doubted, unless, of course, the "Everything for Slovakia" election slogans were meant so seriously that the leaders of these parties would jointly withdraw into the background and leave executive power in the hands of younger politicians, who are not so handicapped personally by their past.

In the days to come, nothing can be ruled out. A great deal will depend on the attitude of the strongest political entity, which, in view of its past and its statements regarding the future, represents no victory.

Foreign Minister Kovacs Assesses New York Trip

AU0510190994 Budapest MAGYAR NEMZET in Hungarian 5 Oct 94 pp 1,3

[Interview with Foreign Minister Laszlo Kovacs by Miklos Blaho in New York on 4 October: "Our Relations With the Neighbors Are Watched Attentively"—first paragraph is MAGYAR NEMZET introduction]

[FBIS Translated Text] France is ready to hold bilateral talks on the issue of joining the European Union [EU]. Foreign Minister Laszlo Kovacs reported this in his telephone interview with MAGYAR NEMZET on 4 October, after concluding his talks with Alain Lamassoure, the French minister in charge of European affairs, and minutes before his speech to the leaders of the World Jewish Congress. We asked Laszlo Kovacs, who left for home on the evening of 4 October, to begin the evaluation of his talks and experiences in New York by describing his last bilateral exchange of views.

[Kovacs] The success of Hungary's efforts for European integration greatly depends on the attitude and willingness of Germany and France, countries that are playing a leading role in the EU. We also exchanged views on Hungary joining the EU, and I said that we would like to make the best out of the possibilities inherent in the association agreement; we must improve the marketing conditions of Hungarian goods while we would like to protect our own markets to a certain extent. We also want to join the integration processes and, meanwhile, we are preparing for full membership. We would like the EU to formulate our schedule for joining, and this would also be a message for the international business circles.

According to the French minister, the system of EU institutions must be made suitable for accepting more than 20 states. However, the states that want to join the EU should settle their bilateral relations; he also appreciated the steps taken by the Hungarian Government. He also signaled that, in the course of my planned visit to Paris, Foreign Minister Juppe wants to get detailed information about the Hungarian-Romanian and the Hungarian-Slovak relations; they are curious to see the relations with the new government in Bratislava.

[Blaho] Did you have the opportunity to discuss these matters with U.S. Deputy Secretary of State Talbott?

[Kovacs] Yes, but we spoke more emphatically about NATO as an important element in Hungary's Euro-Atlantic integration, and Talbott said that they would not give Russia a veto right on the issue of expanding the organization, but they take into consideration Russia's security requirements. The issue of Hungary's relations with its neighbors came up in almost all of my 16 bilateral talks, and several foreign ministers expressed their appreciation in connection with the new Hungarian Government's efforts aimed at moving the Hungarian-Romanian and Hungarian-Slovak relations out of the deadend. Mr. Talbott and I reviewed in detail the Hungarian-Slovak relations, in view of the recent elections. Mr. Talbott asked whether the Hungarian Government is ready to sign the basic treaties and to confirm the inviolability of borders. I told him that the Hungarian Government does not have any reservations, but we find it essential to stipulate the detailed minority rights and the mutual obligation to implement these rights.

[Blaho] In the course of your bilateral talks and of the speeches delivered in New York, what did you learn about the strengthening of the role of the United Nations?

[Kovacs] Indeed, the time has come to review the role of the United Nations, because this organization will be 50 years old next year, and the current conditions and challenges are different from those prevailing half a century ago, and even a few years ago. The collapse of the bipolar world and the end of the Cold War have created a new situation, and this is the general opinion. Greater attention should be given to preventing crises. So far, the organization has been mostly engaged in managing crises, and not always successfully. In my address, I pointed out that the United Nations is not to be blamed, because its readiness depends on the member states' will to manage the crises.

[Blaho] What should be done in order prevent crises?

[Kovacs] The protection of human and national minority rights is the basis of crisis prevention, and I spoke about the need to set up a monitoring system. Greater emphasis should be given to solving global problems too. In the course of my talks with Secretary General Butrus-Ghali, I conveyed the Hungarian Government's support for his initiative to organize a UN conference on social problems in Copenhagen next year.

[Blaho] Can one already discern the framework of the UN restructuring?

[Kovacs] According to the Hungarian position, the activity of the Security Council should be made more transparent, and it should be enlarged with the addition of Japan and Germany; one can also envisage an Asian, African, and Latin American country as a new member. The activity of the Security Council should be made more efficient. Given that Hungary will preside over the CSCE next year, I brought up our desire to review the CSCE-UN cooperation, and I count on close contacts with the UN secretary general.

[Blaho] Has any new element emerged in connection with Yugoslavia?

[Kovacs] Not essentially; at the various exchanges of views, I experienced an agreement regarding the fact that a change in Belgrade's policy could facilitate the abolition of sanctions and Yugoslavia's reintegration.

Kovacs Comments on Treaties, Borders, Gabcikovo

LD0510222094 Budapest Kossuth Radio Network in Hungarian 1930 GMT 5 Oct 94

[FBIS Translated Excerpt] The United Nations is holding its annual general assembly in the United States, to which the foreign ministers and ambassadors of the member states are officially invited. This also applies to Hungarian Foreign Minister Laszlo Kovacs. At a meeting he replied to questions from representatives of the Hungarians who live there, as well. Miklos Martin Kovacs reports:

[Martin Kovacs] [passage omitted] The minister held his first meeting with representatives of Hungarians in the west, primarily those living in the New York area. Part of the background to this is that Hungarians living here said after the elections that although they appreciated the decision of the people back at home in Hungary, they probably would not have voted for the HSP-SZDSZ [Hungarian Socialist Party-Alliance of Free Democrat] coalition. So this had a bearing on the beginning of the meeting. Several people asked the foreign minister about the basic treaties.

[Begin Laszlo Kovacs recording] The question does not arise for this government in the form of whether or not it wishes to conclude a basic treaty. The basic treaty has been on the table for years. Slovakia and Romania believe—and they know why this is the case—that there will not be normal relations until we conclude a basic treaty. We do not consider this to be of vital importance, and we do not believe that there could not be good relations without it, but if it is so important for the partner we have no alternative. If we say no, or if we behave evasively, this will exert a (?palpably) negative influence on relations.

The second question—and it is the real one—is what should the basic treaty contain? Our neighbors say that Hungary should recognize the existing borders, their inviolability. Does Hungary have reason not to do this? I think that it does not. Hungary signed the Helsinki Closing Act, it signed a number of international documents, so it really has no alternative than to acknowledge this. At the most it can say—and the previous government used this argument—we have done this 100 times already, why should we do it again?

We say that if one has done something 100 times, there really is no reason not to do it for the 101st time—if one's opinion has not changed in the meantime. If Hungary refuses to recognize the inviolability of the borders, this—in international politics—will contain the message that Hungary changed its mind in the meantime and it does not regard the existing borders as being inviolable. I do not have to explain the consequences this would have from the viewpoint of the assessment of Hungary. There is no country in the world that would sympathize with endeavors aimed at altering the borders—I emphasize altering them by force—since the recognition of inviolability is at issue. [end recording]

[Martin Kovacs] The protection of the Danube and sorting out the issue of Gabcikovo are close to the heart of Prof. Bela Liptak—so much so that this year he is organizing a demonstration at the scene. He is trying to call the attention of the international public to the alarming damage. He asked Laszlo Kovacs whether the minister agreed with his actions.

[Begin Laszlo Kovacs recording] I think that results cannot be achieved by means of demonstrations. The Slovak side will not take fright at a demonstration of any type. If pressure is exerted on it, the Slovak side will stubbornly continue to (?defend itself).

There is another aspect—and this consists of drawing it to the attention of the international public—and there is nothing wrong with this. I have no objections to this. At the most I say that the international public is not really interested in the matter.

So I highly respect the well-meaning intentions of the environmentalists, I consider them important, but I think that they are not very able to facilitate a solution.

The problem in the whole Gabcikovo issue is that a bad agreement was concluded in 1977, about the building of the power station. The leadership of the time committed a major fault when the environmentalists, the experts began to indicate that not everything was in order, and this opinion was suppressed. These opinions were not made public, and until 1989 everyone who spoke out against the power station was described as an enemy of the socialist system.

Unfortunately, the affair went to the other extreme after 1990. After 1990 anyone who sought a solution was presented as wanting a return of the one-party system and dictatorship.

I think that the Gabcikovo issue is not a political issue. It unfortunately was politicized in the past years, but I believe the solution lies in its being taken out of the political arena and in the experts seeking a solution which accords most with the considerations of practicability, economic efficiency, energetics, shipping, and last but not least ecology, environmental protection. [passage omitted] [end recording]

Romanian Preparations for Ethnic Unrest Viewed

AU0410135794 Budapest MAGYAR HIRLAP in Hungarian 22 Sep 94 p 8

[Article by Attila Ara Kovacs: "In Event of Ethnic Conflict, They Would Deploy Diversionary Groups Rather Than Army—UM 0215 Is One of Nine Romanian Secret Service Organizations"]

[FBIS Translated Text] It was suprising that Bucharest made use of the promising developments in bilateral Hungarian-Romanian relations and an international conference on national minority policy to hint at the existence of military and police plans to suppress possible ethnic disturbances in Transylvania. It is also true, however, that the Romanians hastened to say that the statement allegedly made by Defense Ministry State Secretary Mircea Pascu was misunderstood. It is well known, however, that such statements- denials have their own ambiguous logic.

Whoever had doubts about the existence of such plans could be regarded as naive about Hungarian-Romanian relations; the same applies to the fragile domestic political conditions that have prevailed in Romania since the last shot was fired in World War I, conditions that continue to determine Romania's room for maneuver both politically and economically. Regarding the aforementioned statement made by the Defense Ministry state secretary, the Romanian press also claimed to know that those plans were mentioned in order to bring the ethnic Hungarian extremists in Transylvania to their senses; therefore, it is not worth speculating about the timing and style of this announcement.

Given the frequent failures of regional politics in Eastern Europe, such warnings are mostly timely. Only one question remained open after the alleged statement: What methods and forces do the Romanian authorities intend to use to disperse possible ethnic disturbances, and what political considerations would they try to use to have such steps accepted by the international community?

It seems that Bucharest does not have conventional military means in mind to curb possible separatist and disturbing manifestations. This is in spite of the fact that the 4th Romanian Army stationed in Transylvania has twice been reinforced since 1990, and considerable military forces were deployed in counties inhabited by Szeklers in 1991. These forces frequently put up a demonstrative show whenever the issue of "autonomy" came up. One of the obstacles to so-called conventional action is that the army cannot be regarded as a "homogeneous entity" even in Transylvania, despite the careful weeding out of national minority recruits. Thus, deployment of this army in the relevant regions would involve unforeseeable consequences. Above all, such an action would make control of the troops uncertain.

Deployment of militia cleansed of ethnic minorities would be no more efficient, mainly because the Interior Ministry's local forces are definitely not sufficient for carrying out such a task. The events of 1989 provide ample evidence of this.

In addition, both solutions require combat action that would inevitably have foreign policy consequences, and the Romanian Government could not disregard this even if there were a threat of civil war in this country. Every political step taken by Bucharest so far provides ample evidence of this. Even during the most brutal or most critical moments of the Ceausescu era, Romania never tried to broaden its national minority conflicts into an international crisis because it thought, rightly, that in such a case international public opinion, which is extremely important for Romania, would automatically blame Bucharest, and Bucharest alone.

Romania's political situation has become even more complex since Ceausescu. Romania was the first to sign up for NATO's "Partnership for Peace" and it has been diligently trying to make its army compatible with "European challenges." Sometimes, they even go so far as to call for NATO bases on Romanian territory, justifying this with alleged Russian or Ukrainian threats. The activation of such a military force to "solve" the ethnic minority problem would undoubtedly have disastrous consequences, by bringing back the isolation from which Romania now seems at long last to be emerging.

From the lesson of previous years, one might risk saying that Bucharest would try to use civilian rather than military forces to suppress a possible ethnic disturbance, civilian forces naturally controlled by security forces. Their deployment would, however, present events more as a conflict of social groups rather than a conflict between national minority groups and regular army troops.

The events in Marosvasarhely [Tirgu Mures] in March 1990 show that such ideas are not new in Romanian security policy and the miners' disturbances in Bucharest show that this diversionary solution can be used not only against national minorities.

As is well known, they tried to intimidate the Hungarian population of Marosvasarhely who were demonstrating for education in the Hungarian language and for other minority rights by turning the Romanian population of the region against them; this incident contained several elements of the classic pogrom. And the security forces broke the long opposition demonstration that paralyzed the capital in the summer of 1990 by ordering the Zsil [Jiul] valley miners into the capital. There were casualties in both conflicts.

The latest rumors in Bucharest do not say anything about the alleged plans. However, according to certain previous information, the retaliation against recalcitrant minorities is organized by the special secret service UM 0215, an organization totally subordinated to the Romanian Intelligence Service [SRI].

This organization was set up on 1 February 1990, under the sponsorship of Gelu Voican Voiculescu, one of the most bizarre figures of modern Romanian history. Voiculescu was one of the protagonists of the anti-Ceausescu conspiracy, and reliable sources claim that he not only played an important role in arresting the dictator but also participated in his execution.

Voiculescu was also made head of the National Security Department (DSS) set up after the events, but this organization only had four "independent" days. After this, President Iliescu subordinated it to the defense minister. However, Voiculescu, who was thus pushed aside, managed to organize some 400 former officers around himself who had formerly worked mainly in the Securitate's military counterintelligence or in the secret service's strongest unit, Bucharest. Voiculescu intended to set up a political police with an explicit military character which would employ secret service methods (the name UM, unitatea militara in Romanian, means military unit). This was awkward for the new Romanian leaders, partly because its spirit represented the former Stalinist and nationalist dictatorship, and because its activities could not be controlled.

In addition, the controversial nature of the founder created chaotic conditions within the organization right from the beginning. Out of Romania's nine secret service organizations, none have gone through as many changes of leaders as the UM 0215 (at least two of them, Florin Calapod and Colonel Stoian Rusu are considered to be particularly well informed on the "Hungarian issue").

Nevertheless, the organization managed to succeed in some ways, especially because of the tension that soon emerged between Iliescu and then prime minister Petre Roman. According to information received from Bucharest opposition circles, Roman was rather satisfied with the subversive role and successes of the UM 0215 in the Marosvasarhely events [15 March 1990]. Therefore, he proposed and achieved the employment of first another 200, then another 400 experts—in the latter case, mainly people familiar in logistics—by the UM 0215. In this light, the remark of SRI director Virgil Magureanu—the SRI was set up on 21 March 1990 on Iliescu's instructions—becomes a bit clearer: "If the SRI had existed before March 1990 the events in Marosvasarhely would not have happened."

However, Magureanu's remark does not explain everything by any means. On 15 June 1990, in spite of the fact that the SRI had been set up, an event similar to that in Marosvasarhely took place in Bucharest: This is the time when miners from the Jiu valley attacked opposition demonstrators.

The fact that during the attack two UM officers were arrested who had intruded into opposition leader Ion Ratiu's home and taken away items of great value and confidential documents indicates the peculiar background of the brutal incident and the change in the UM 0215's political affiliation. The organization's accountability was proved in organizing a neo-fascist action in Bacau, Moldavia, and a number of subversive activities that brought the opposition into disrepute.

The independence of the UM 0215 was finally ended when the conflict between Iliescu and Roman—who had been removed as prime minister—reached its culmination in 1992. It is no accident that the founding father Voiculescu left the country in the same year and, as Romania's ambassador to Tunis, was forced out of the political struggle.

Since 1993, the UM 0215 has been headed by Major General Dan Gheorghe, who appears to be much more cautious than the former commander and acknowledges the higher authority of the SRI, the "presidential secret service." This can be seen from his willingness—according to newspaper reports—"to immediately make all the organization's information available to the SRI's computerized data base." Therefore, this war seems to be coming to an end but the division of labor between the two organizations will undoubtedly remain. Although not as secretively as before, UM 0215 will carry out the dirty tasks that could hardly be done by the SRI without spectacularly risking its own international contacts, professional prestige, and Romania's interests. One of these tasks, for example, is bringing the national minorities to heed.

Trade Minister Plans To Regain CIS Markets

AU0410203594 Budapest NEPSZABADSAG in Hungarian 27 Sep 94 p 12

[Report by Antonia Radi: "Are We Regaining the Eastern Markets?—Kalugaputmas and the Hungarian-Russian Joint Bank"]

[FBIS Translated Text] On 26 September, Industry and Trade Minister Laszlo Pal left for Moscow, where, with members of the Russian Government, he will discuss, among other things, clearing the more than $700 million Russian debt. The minister first announced this at last week's general meeting of the Society for the Eastern Markets Association [Tarsasag a Keleti Piacokert Egyesulet] and he also noted that an interministerial committee had been set up to solve this very important issue. All the economic ministries, the Interior Ministry, and the Defense Ministry are represented in this committee at the state secretarial level.

Armaments factories, coal mines, oil fields: The domestic enterprises can gain access to all these in Russia—and, what is more, with state help, in exchange for the Russian state debt. The Society for the Eastern Markets Association, which was set up in 1993, has prepared a program for this.

Hungary has so far only experienced the disadvantages of the market economy, the program-makers believe. According to them, the country's economic problems can be mainly attributed to the loss of the traditional markets of the Council for Mutual Economic Assistance [CEMA]. In their view, this market can be regained with deliberate governmental help. Their experts insist that almost all the Russian state debt can be used for the Hungarian economy's development. The association expects more than $5 billion in exports from the planned projects, which is more than the exports in the most successful CEMA years.

The study first mentions a joint Hungarian-Ukrainian-Russian railroad company, which can be set up for $26 million and be financed out of the debt. The Hungarian side would give the transfer point at Zahony and the Ukrainians the same at Csap into the corporation with equal proportions. The Russian owners would share the right to use the special railroad cars and containers with their partners. In addition, the Russian side would undertake to transport goods from Mongolia, China, and the Russian Far East to Europe by the joint railroad rather than through Poland or Romania.

The founders would increase the turnover of the joint railroads with a so-called through tariff. This means that they would ensure that the transportation tariff would not exceed 20 to 40 percent of the value of the goods. According to the plan, this would increase the east-west turnover of Hungarian State Railroads by some 20 million metric tons—$100 million income—making the dying railroad company's operations profitable.

In exchange for some $98 million debt, domestic entrepreneurs could participate in privatizing the brown coalfield between Kansk and Achinsk, the proposal suggests. Owing to the general economic collapse in Russia, the majority of coal mines are not in operation and the miners are on strike. Russia has a number of mines with coal stocks of internationally high quality.

If the planned joint railroad line is built, then Russian coal will become competitive. This could also make market demand for Hungary's other goods effective. The program planners are expecting some 15 million metric tons of coal-cake in the coming six years at an annual average value of $1 billion.

According to the experts, one of the the safest ways of regaining the Russian market is through Hungarian entrepreneurs gaining majority shares in existing Russian chain stores. The so-called Glavus, the employees' supply system owned by the Russian railroads which consists of some 20,000 outlets, is the most widespread chain. According to plans that have already been coordinated with the Russian state railroads, $55 million of Russian state debt would be spent on refurbishing the shops. The Russians would get a one-third ownership share in exchange for the shops.

According to the proposal, for Ikarus [a bus manufacturer] to get back onto its feet, it would have to set up assembly plants in those areas of the CIS—for example, in Kazakhstan—where the effective demand is much higher than the "empire's" average. It would also be expedient to include the local partners in the joint venture because they are also interested in the consumption. In addition to Ikarus itself, almost all Hungarian industrial suppliers are interested in exporting Ikarus buses. According to expert calculations, the program would use up $90 million from the Russian state debt and would ensure markets for domestic goods to the value of some $480 million.

To maintain its monopoly position, Raba Rt., which manufactures the bus engines and back axles, will have to acquire a decisive share in the bus assembly plant in Likino. This project would reduce the state debt by another $20 million.

The Russian oil and natural gas industry is also struggling with lack of capital. At the same time, the Hungarian economy's similar areas have significant unused capacities and the technical equipment and know-how necessary for the extraction also exists. According to calculations, the Hungarian companies—founded with a $156 million investment—could extract some 8.5 million metric tons of oil and 7 billion cubic meters of natural gas per year in Russia. The sale of some of this could be secured for several years on the Ukrainian market.

It seems expedient to buy the engineering plant in Kaluga for $17 million debt. Experts believe that "Kalugaputmas" could be bought by the owners of the Jaszkiser town railroad construction plant, which has the same line of manufacture and the same equipment. This would result in the sale of machinery, 35 percent of Hungarian origin, on the CIS markets at a value of $15 million a year.

It is increasingly difficult to sell weapons in the traditional way. Therefore, the association suggests that entrepreneurs set up spare part warehouses in Hungary and in those countries of Africa, Asia, and South America where Russian aviation technology is regularly used. Minor repairs could be done on the spot and major repairs in Hungary. The project would use up $25 million. Some $20 million profit can be expected from repairs and $100 million from arms sales, the association members claim.

According to current regulations, only those goods can be imported into Russia whose quality is testified by one of the three authorized companies—the German, Swiss, or Hungarian Mertcontroll. The association suggests that, to the value of $18 million, Hungarian Mertcontroll set up an office in all significant Russian towns and participate in the control of domestic goods. "The market can be kept under control on the basis of quality," the study states.

Our economic relations are largely hindered by the fact that Hungary does not have a joint banking system with the CIS countries, the authors believe. They would use the largest sum, $200 million, of the Russian state debt on common financial institutions. In the various countries, the banks would be founded by the entrepreneurs of the industrial sectors that have the largest amount of capital. The banking system would deal with the financial maneuvers between the various countries and finance investment.

The association's leaders emphasize that the projects would create the capital necessary for further progress and would make the enterprises in the CIS that have Hungarian stakes creditworthy for the international financial institutions.

Horn 'Confusion' Over Advisory Body Resignations

LD0510114794 Budapest Kossuth Radio Network in Hungarian 0800 GMT 5 Oct 94

[FBIS Translated Text] Hungarian Prime Minister Gyula Horn has expressed his regret and confusion over the fact that, with the resignation of economist Maria Zita Petschnig, four members have already left his advisory body, reducing its number to seven. The prime minister is not planning to ask additional advisers to join the body, Elemer Kiss, the administrative state secretary at the prime minister's office, stated.

Elemer Kiss also told this station that his office has been reduced significantly, by 23 percent. Savings achieved by this staff cut amount to 101 million forints per year, he said.

President Goncz Signs Local Government Package

LD0510162694 Budapest Kossuth Radio Network in Hungarian 1300 GMT 5 Oct 94

[FBIS Translated Text] President Arpad Goncz has signed the legislative package on self-government which parliament adopted on Friday without the opposition deputies.

The president wishes to call local elections for 11 December.

MDF Politician: New Government Lacks 'Concept'

AU0410194794 Budapest UJ MAGYARORSZAG in Hungarian 24 Sep 94 pp 1,4

[Interview with Istvan Balsai, former justice minister and MDF justice department chief, by Sara Szeli; place and date not given: "Legislative Onslaught of a Planned Economy—Istvan Balsai Criticizes the Government's Legislative Efforts"]

[FBIS Translated Text] According to former justice minister Istvan Balsai, head of the Hungarian Democratic Forum's [MDF] justice department, the government's legislative efforts lack any kind of concept. Improvisation and political considerations play a role when bills are submitted. The assumption that, in certain cases, the coalition is attempting to restore the old regime seems to be justified.

[Szeli] In the past four years, parliament was indeed a law-making factory. All deputies admit this and they justify it by saying that this rapid pace was part of the change of regime. The current coalition has placed the discussion and enactment of more than 40 bills on the agenda. Why does the government demand a rapid pace in legislation?

[Balsai] We cannot free ourselves from the suspicion that this speed, as dictated by the government—which is not justified by anything—does not at all serve thorough legislative work. These measures are part of the process of reconversion that is manifested in the forcing through of the government's bill on local governments, the increased powers of the counties, or the area of ownership conditions, for which the amendment of the Law on Cooperatives is eloquent proof. I am also unhappy about the intention to change the already enacted Law on Economic Chambers. The government coalition is pressing to change laws that are not to its taste, and even if these might be minor amendments, their consequences can cause unmeasurable damage. Prestige considerations play a role in this, even at the cost of endangering legal security. Therefore, we believe that we are observing the signs of a return to the old system with this parliamentary speed typical of a planned economy.

[Szeli] Does this mean that, in the situation that developed after the elections, the interests of those former interest groups and lobbies seem to be gaining a strength that is less accepted in a constitutional state?

[Balsai] Yes, it does. It also has to be seen that even the major laws and the time prescribed for their implementation was not enough for them to take root, for example, when the compensation law was passed.

[Szeli] In the past four years, the opposition had a great influence on legislation. The laws that required a two-thirds majority gave protection to the current government coalition parties, namely the Alliance of Free Democrats [SZDSZ] and the Hungarian Socialist Party [MSZP].

[Balsai] Naturally, because we submitted many more bills requiring a two-thirds majority, which thoroughly covered the institutions of the constitutional state. The same happened on ownership issues. The fact that the government has announced with a great fanfare that a new constitution will be drawn up in line with part of its program and that program was accepted by parliament is extremely worrying under public law. This is too little for the government to begin its legislative work now on detailed decisions—without any parliamentary questioning, approval, or clarification of the principles—and for the government to say that authorization was given for this when the government program was accepted. In his reply to this, [Justice Minister] Pal Vastagh said that this was also part of the former government's program and no further authorization was given in that case, either; but this was not the case, because the whole legislative plan failed to materialize. Here I can see another sign that this government is not exactly familiar with the practice of parliamentary government. Of course, it does not need to be familiar with it because the MSZP parliamentary group with its commanding majority does not have any experience of this. We are warning them about this. We see that, for historical reasons, the Socialist Party could not have had anything to do with the practice of parliamentary democracy, and we also have to see that, in the four years of struggle, we had to learn what the roles of parliament and government are, and if the two deviate from each other or happen to conflict, then this, in addition to violating the Constitution, actually endangers democracy.

It is difficult to cite examples of this, but is it not strange that, according to this program, the government wants to amend the Law on the National Bank sometime in October? Is this not in line with what the prime minister said: An individual whom he does not like is at the head of this institution and the current chairman can only be removed if the law is changed? Therefore, this is a case of trying to implement political ideas, rather than a concept, by whatever means. The government has passed a ruling on the sphere of authority and the procedures of the Prime Minister's Office. This ruling contains something frightening, saying no less than the Hungarian Republic's Prime Minister's Office—in agreement with the justice minister—is responsible for legislation, for submitting bills, and generally for the legal program. According to past practice, and this is also the legal requirement, the justice minister and his ministry are responsible for legislation, and this is the practice in the vast majority of democratic countries. This also shows that some kind of lack of clarification and the mingling of already crystallized principles characterize the new government's ideas on legality and public law.

[Szeli] As leader of the [MDF] justice department, how do you see the future work of the group that you lead?

[Balsai] We would primarily like to represent the interests of the electors in a professional way. We lay great emphasis on our criticisms being professionally flawless while comprehensible to everyone.

MDF Leader Concerned Over New Electoral Laws

AU0410211494 Budapest MAGYAR NEMZET in Hungarian 1 Oct 94 p 7

[Interview with MDF parliamentary group leader Ivan Szabo, former industry and finance minister, by Frigyes Varju; place and date not given: "Is Hungary in Trouble?"]

[FBIS Translated Excerpt] [Varju] In his recent speech in parliament, the prime minister firmly pointed out that, according to the World Bank and the IMF, new structural changes are needed in Hungary and that this country has lost its leading position among the Eastern-Central European countries. At the same time, in the last part of this speech, Gyula Horn saw as a positive development that our external circumstances have improved, the interest of developed countries toward Hungary has restarted, and Hungary is a good partner to Western countries. So is Hungary in trouble or not?

[Szabo] Given that the IMF generally bases its evaluations on standard economic indicators, no doubt the deficit recorded in the GDP and the state of the current balance of payments have always played an outstanding role in this evaluation. At the same time, I find it peculiar that the level of inflowing working capital is not reflected in the points system of the IMF and the World Bank, although this is a much more important factor than the deficit in the GDP of a given country. Compared with the GDP and without taking into consideration the repayment of state debts, the deficit has not deteriorated in Hungary, and this shows that state management is not so bad. The really serious burden for us derives precisely from the state debt accumulated previously. [passage omitted]

[Varju] Mentioning that the agricultural sector was already struggling with serious challenges in the 1980's, the prime minister drew emphasized that the Hungarian Democratic Forum [MDF] government failed to create a modern agricultural system and wanted to restore the old and obsolete types of ownership by instituting compensation and by its anticooperative policy.

[Szabo] In spite of this, structural change was most comprehensive precisely in the agricultural sector, and this started with the settling of ownership relations. It is a fact that, compared with the land reforms of 1945, a very large number of people have become landowners in recent years. [passage omitted]

[Varju] Does the MDF think that the restructuring of the agricultural sector may now be reversed?

[Szabo] Honestly speaking, I do not fear such a possibility, because there is simply not enough money to keep obsolete organizations artificially alive, organizations that are not able to survive on the market. It is possible that this restructuring will somewhat slow down, but it is no longer possible to reverse this logical process. [passage omitted]

[Varju] What is your opinion about the haste of the Hungarian Socialist Party [MSZP] in modifying the election and self-government laws? Perhaps those who think that, with this change, the Socialists are trying to defend themselves against their own coalition partners are right. Think of 1990, when, in the provinces, the Alliance of Free Democrats [SZDSZ] got the upper hand against the MDF, who had won the parliamentary elections.

[Szabo] Indeed, you made a very good point. This time, they try to change the SZDSZ-dominance in the towns into an MSZP-dominance, and this law modification serves this purpose. As an opposition party, we could watch this struggle from afar, but we have a constitutional concern. For example, we cannot accept the increase in the support needed for a candidacy to 3 percent; similarly, we cannot accept the need for the voters to vote with their identity card number and their signature. In that case, such an election would immediately cease to be a ballot, and this is absurd. [passage omitted]

[Varju] One can hear nowadays that the Federation of Young Democrats [FIDESZ] is negotiating with the MDF and the Christian Democratic People's Party

[KDNP] for cooperation in the local government elections. Will there be a joint mayoral candidate?

[Szabo] The future will tell. So far, every party has its own candidate. Coordination is under way, and I think that a normal compromise will emerge. Besides, this cooperation might lay the foundations of long-term and closer contacts between the opposition parties.

[Varju] Istvan Csurka also proposed something similar, but he went further than that when he declared that a fusion of the parties is possible and desirable.

[Szabo] If Istvan Csurka had not spent the past two or three years trying to dismantle the MDF, his words would now sound quite genuine. This desire represents a general demand, but it is clear that it will be extremely difficult to merge fire with water. [passage omitted]

Police Chief on Crime-Economic Growth Linkage

AU0410144594 Budapest MAGYAR HIRLAP in Hungarian 19 Sep 94 p 3

[Interview with National Police Chief Sandor Pinter by Karoly Lencses; place and date not given: "Society According to European Norms—European Level of Crime"]

[FBIS Translated Excerpt] [passage omitted] [Lencses] The police have achieved spectacular successes since 1991, however, serious crimes that had not been seen before have been committed in the meantime and no results have been shown in some of these cases. Can criminal investigations be held responsible for this?

[Pinter] It is worth quoting certain data: The number of crimes increased by 50 percent in 1990, 27 percent in 1991, and 1.6 percent in 1992 compared to the previous year. In 1993, a 10 percent decrease was recorded, and I hope that we will be able to maintain this level in 1994. Naturally, we cannot claim that this is solely due to the police's work because the level of crimes basically depends on the social conditions. However, the success rate of investigations, which is over 50 percent at the moment, is our merit (the European average is between 20 and 22 percent—editor's note). However, we cannot expect the number of legal violations to be further reduced significantly because the social effects determine the level. As for the most serious cases, the majority of them have been solved by the police and only two cases are waiting to be solved at the moment. We will definitely find the persons who were involved in the shooting by Ukrainians, even if we might not be able to arrest them. In connection with the series of attacks, we already know all there is to know about the explosive device, however, this is not a usual type of crime in which the police can carry out a routine investigation.

[Lencses] In your view, what else are we to expect?

[Pinter] It has to be realized that the construction of a society and an economy according to European norms involves European level crimes. We have to get used to the idea that, in spite of the police efforts, public order in Budapest will be similar to that in London, Paris, Rome, or Vienna. We cannot request economic growth and social prosperity without the uncertainty of employment or the crime rate. Naturally, first we are likely to feel the impact of the neighboring countries as we are on the edge of the European Union. Let us remember the war in our vicinity, and that the marksmen might take a rest in our country. We are already aware that some serious and yet unsolved crimes were committed by foreigners.

[Lencses] What further possibilities do you have?

[Pinter] This is usually a political, rather than a professional, issue. It is certain that the police force that I direct always makes full use of the room for maneuver that is provided for it by legislation. However, we cannot give up our democratic achievements under any circumstances. Whether the police's staffing and pay can be increased and the technical conditions improved depends on the budget situation.

Flight Carrying Soldiers to Haiti 'Canceled'

LD0510164894 Warsaw TV Polonia Network in Polish 1600 GMT 5 Oct 94

[FBIS Translated Text] The news just in. We have unofficially learned that tomorrow's departure of Polish soldiers for Haiti has been canceled. So far, the Americans have not confirmed the arrival of their plane that was to have transported the Poles from Warsaw.

May Leave in 'Next Few Days'

LD0510203494 Warsaw TV Polonia Network in Polish 1830 GMT 5 Oct 94

[FBIS Translated Excerpt] Despite earlier announcements, at the request of the U.S. Department of State, a group of Polish soldiers will not leave for Haiti to participate in the UN peace mission. The flight was canceled because the Americans are still negotiating with the Haitian Government over the powers of the international peacekeeping forces. In addition, the Americans have not yet prepared quarters for our soldiers. The National Defense Ministry's press office thinks the Polish soldiers will leave in the next few days. [passage omitted]

Debate on Financing Deployment

WS0510123894 Warsaw RZECZPOSPOLITA in Polish 5 Oct 94 p 5

[Commentary by Maciej Lukasiewicz: "Who Will Gain in Haiti?"]

[FBIS Translated Text] Tomorrow Poland is going to dispatch soldiers to Haiti. It will do this as part of the international campaign supporting the United States in its drive to restore democracy in Haiti, where several years ago a military junta overthrew President Aristide, the president elected in the country's first free election.

We may or may not like it. It may dredge up memories of the negative role Poles played on that island nearly 200 years ago, when they intervened to meet "alliance commitments" to Emperor Napoleon (which keeps coming up in certain media of the postcommunist camp). This was, however, a sovereign decision made by our government.

For the first time since we disclosed our ambition to join NATO, we have positively responded to the appeal of our future ally in this organization. This was an appeal not so much for military backing as for political and moral support for the Haiti operation. It is all about dispatching approximately 50 soldiers as part of a peacekeeping mission.

Now, the very same government admits two weeks later that it does not have any money for the deployment. This gives rise to a dispute over who is going to finance the whole affair: budget reserves, the Ministry of National Defense, or perhaps the Ministry of Foreign Affairs, even though it is no secret that, in any event, most of the costs will be covered by the United States. It is worth adding that we would have to spend a little less than 6 billion zlotys (which is the same cost as three government Lancia limousines).

In the main "Wiadomosci" newscast, we watched a scandalous debate between the deputy ministers of defense and foreign affairs. There were also statements made by someone else... However, should one not ask at this point: What do we care about all that? It is only a problem of where the government, which made the decision to dispatch our troops to Haiti, will get the money. Why is this completely technical issue turning into a public fact, which not only unnecessarily takes up our time and attention but may also put Poland's international prestige up to ridicule?

An increasingly violent political game is being played in Poland—among the centers of authority as well as within those centers. It is time, however, to set limits. These limits should be set at least by the credibility of the Polish Government among its foreign allies, let alone its own citizens.

More on Delay of Privatization Implementation

MM0510130094 Bialystok GAZETA WSPOLCZESNA in Polish 28 Sep 94 p 8

[PAP-attributed article: "Kaczmarek Is Waiting"]

[FBIS Translated Text] The beginning of the implementation of the National Investment Funds [NFI] program hangs on just two decisions still to be made by Prime Minister Waldemar Pawlak. Privatization Minister Wieslaw Kaczmarek hopes that both decisions will be made before the end of the year.

The decisions concern the inclusion in the program of the third series of enterprises to be privatized and the approval of the composition of the NFI supervisory boards (including the NFI board chairmen), without which the funds cannot be registered as joint-stock companies. The Privatization Ministry [MPW] provides for the creation of a maximum of 19 NFI's. There are two size variants for the proposed supervisory boards: They can be made up of five or seven board members.

"Both of these matters are of key—I would even say historical—significance because the prime minister's indecision makes it impossible for us to implement the privatization program that is perceived by foreign observers as the touchstone of our credibility," Minister Kaczmarek explained during his meeting with journalists last Monday. "The NFI program can be interpreted in terms of the Polish reason of state because it offers several hundred enterprises a chance to find a firm place for themselves within our economic system," the minister stressed.

He also added that the economic condition of the firms selected to qualify for inclusion in the NFI scheme is deteriorating at a steady rate. Whereas in 1991 net losses were recorded by 23 percent of these enterprises, two years ago the relevant percentage rose to 30, and last year it already reached 44. "Contrary to certain assertions, these firms do not represent the pride of our economy," Kaczmarek assured his audience, saying that the enterprises to be included in the program note the delay of the vital decisions that should activate the NFI scheme with increasing concern. He also informed those assembled that, on 16 September, he passed on to the prime minister two documents that translated the costs of abandoning the scheme into zlotys and also warned him of the possible costs involved in the loss of the foreign assistance funds designed to promote the scheme. However, he refused to quote the actual costs, maintaining that "both documents are the prime minister's property, and only he can disclose the data they contain."

In reply to a question inquiring into the reasons for Pawlak's procrastination, the minister said that the prime minister had been analyzing the NFI program as a whole as well as the economic condition of the firms that declared their intention to join the scheme. "The MPW answered all of the questions the prime minister asked of it. In addition, heads of all ministries, with the exception of the minister of foreign economic cooperation, gave a positive evaluation of the NFI scheme. I believe that the analytical process applied to the program has now been completed and that key decisions determining the program's future will be made by the end of September," Kaczmarek said.

The minister does not see any reason to react to the prime minister's procrastination by tendering his resignation.

"I am an optimist by nature. A politician cannot just stop and throw his hands up in despair because something is not going according to his plans," he said.

According to Kaczmarek, the answer to the question that part of the NFI program will be the first to be implemented—the compensation scheme (issue of free share certificates to employees of the budget-funded sector and old age and disability pensioners in compensation for the lack of wage and pay allowance uprating in that sector in 1991) or the universal scheme (issue of share certificates to all eligible adult citizens who file the appropriate share application and pay the required registration fee)—is a matter of secondary importance.

"Instead of discussing the question of priorities in this case, we could look for a third solution and realize both schemes at the same time," the minister said. "The State Treasury should retain 40 percent of all shares issued by each joint-stock company participating in the program. Out of this pool, 15 percent should be reserved for the employees. The remaining 25 percent could be allocated to cover the compensation part of the program. However, this will require the introduction of an amendment in the NFI act," he added.

Uranium Smugglers Captured After Gunfight

LD0510160694 Budapest Kossuth Radio Network in Hungarian 1500 GMT 5 Oct 94

[FBIS Translated Text] Uranium smugglers have been arrested in Romania. Here is Tibor Bogdan's telephone dispatch from Bucharest.

[Bogdan] The four-member group was trying to sell 4 kg of uranium isotope 235 and 238. The police had to resort to force when capturing the smugglers, and they became involved in a gunfight with the members of the group in the village of Snagov, 40 km from Bucharest.

In its issue today, the largest-circulation Bucharest daily, EVENIMENTUL ZILEI, reports that Army officers and presidential guards were also involved in the affair. According to the newspaper, those arrested include a captain and a lieutenant colonel from the two organizations.

Iliescu Wants Russian Troops Out of Moldova

BR0510151994 Milan CORRIERE DELLA SERA in Italian 5 Oct 94 p 8

[Interview with President Ion Iliescu by Riccardo Orizio in Strasbourg; date not given: "Out With the Red Army From Moldova"]

[FBIS Translated Excerpt] [Iliescu] Moldova is a second Romania, a state artificially created by the Soviets and Nazis through the Molotov-Ribbentrop pact, incorporating the old Bessarabia and Walachia, and literally robbing the Bucharest government of Walachia. We now recognize Moldova as an independent nation, but maybe one day we shall reunite with the territory concerned, which is identical to us in culture and history. Anyway, if the two Germany's managed it, why should the two Romanias not do it? The problem is Russia. Moscow continues to maintain a military presence there. Well, I call on Yeltsin to withdraw the Red Army from Moldova with maximum speed. [passage omitted]

[Orizio] What stand do you take on the Bosnian conflict?

[Iliescu] As a result of the sanctions imposed on Serbia, our traditional trading partner, the war has cost us 13 trillion lire to date. We therefore want peace. Serbian President Milosevic had the courage to break with the Bosnian Serbs. He realized that only through politics, not by force of arms, could he achieve what he wants: a prosperous and peaceful Serbian nation. Anyway, Bosnia is a geographical invention of Tito's, so I can understand the Serbs' initial aspirations.

[Orizio] Romania seems to have become the favorite haunt of international money launderers. Why is that?

[Iliescu] Russian, Italian, and Middle Eastern mafias have set their sights on us, taking advantage of the power vacuum, the lack of strong institutions, and the corruption. We are now redrafting all our laws and shoring up our institutions: We shall put a stop to it.

[Orizio] Many men from the Ceausescu regime have kept their jobs. Why?

[Iliescu] No ministers have been recycled with the same portfolios. And you cannot judge a man from the issues going the rounds on him, but on the strength of what he does and the commitments into which he enters with the authorities. If a politician is good at his job and effective, why should I fire him? In the past, everybody had to obey the regime.

[Orizio] And the miners? Would you summon them to Bucharest again to beat the opposition up?

[Iliescu] I did not summon them: They came of their own accord. Of course, much has changed since then, and perhaps it would no longer be possible now. Mind you, in France, as well, the farmers and students take to the streets in an attempt to force the government's hand.

Defends Human Rights Record

AU0410171394

[FBIS Editorial Report] Bucharest Radio Romania Network in Romanian at 1114 GMT on 4 October carries a live relay from the Council of Europe Palace in Strasbourg on President Ion Iliescu answering questions from the Council of Europe deputies attending the Parliamentary Assembly session. The chairman of the session announces that 35 questions, "divided into two groups," have been prepared for President Iliescu. The first group of questions refers to "economic matters."

The first question comes from a Polish deputy who asks Iliescu to sum up the privatization process in Romania. Iliescu replies in French, with a superimposed translation into Romanian, that "experience has shown that overcentralized state systems were not efficient," which led to the "collapse of the Soviet system and the so-called socialist system of Central and Eastern Europe." He adds that "after the revolution, we took steps to decentralize the economy" and "the privatization process has started with several very important steps already taken, such as the privatization of agricultural land and small-scale privatization." Iliescu says that "large-scale privatization is in the offing," but the major difficulty here is the "lack of capital."

Asked by a Turkish deputy about the steps taken to "encourage investment from abroad," Iliescu says that Parliament has passed new laws to create "additional facilities" for "joint ventures" with foreign investors.

To a question from a French deputy about Romania's European integration, Iliescu answers that all cooperation initiatives at a "regional" level to which Romania has been party "should not be considered as an alternative to the general process of integration in Europe; on the contrary, they should be considered as elements preparing the ground and economic foundation for the integration of all these countries into the overall European space." He also pleads for an all-out effort to diminish the "widening gap" between Western and Eastern Europe, since this "may become a source of tensions at European level."

At 1130 GMT, the chairman of the session says that "we will now proceed to the second group of questions, referring to the functioning of the rule-of-law state."

In response to several questions about the rights of minorities in Romania, Iliescu emphasizes the "democratic provisions of the Constitution," in this regard.

Asked by a British deputy about steps to ensure the freedom of the press, Iliescu answers in English that he is "not aware of any infringements on the freedom of the press in Romania."

Answering a question about the possibility of "banning ethnic parties, such as the Hungarian minority party," Iliescu says that this is an "open matter," which is discussed in certain circles in Romania, but "not in official ones, not in Parliament, government, or the state's official bodies."

Asked about the possibility of Romania becoming a "bridge between the European Union and Russia and a link and bridge between the European Union and other countries in Central Europe," Iliescu says that "indeed, we want to play such a positive role, since we have an important geostrategic position in Europe." He goes on to say that "Romania is placed at the intersection of the Western powers and the oriental space of the Black Sea and the Mediterranean," something which enables it to ensure links between all these countries, in order "primarily to ensure the stability of Romanian society and also to ensure the stability of the region in which we live, a region of many conflicts, such as the conflicts in Yugoslavia, the former Soviet Union, the 14th Russian Army in Moldova, and the Caucasus conflict. We are striving to play a constructive and positive role to ensure stability in the region, promote global cooperation, and further our integration into the world economy."

In response to a question from a Spanish deputy about any "real improvements" in the situation of the Hungarian minority, Iliescu says that the "problems of minorities are delicate in all the European countries, and particularly in this region." He reiterates that, as far as Romania is concerned, the Constitution stipulates that the "European regulations on human rights prevail over domestic regulations." He reminds the Council of Europe deputies that Romania has signed the European Human Rights Convention and "our country and the Constitution ensure the legislative framework for guaranteeing the rights and freedoms of national minorities." Regarding the Hungarian minority, he points out that it has "the greatest freedoms compared with other minorities in Romania and even compared with other states in Europe." Touching on the related problem of ties with neighboring countries, Iliescu says that "it is in the interest of the two states to live in conditions of good-neighborliness" and that "we will find the necessary solutions to all these problems linked to the common experience in the matter of national minorities living on the territory of our countries." Asked by a Hungarian deputy about "Romania's commitment to guarantee" the rights of the Hungarian minority in Romania, Iliescu says that "our Constitution stipulates that all international regulations envisaged in the European conventions and charters that we have signed prevail over all internal legislation observed in Romania before the adherence to the external legislation." Iliescu adds that "we have no reason to have inferiority complexes vis-a-vis European regulations on the issue of minorities. On the contrary, I believe that there are many countries that could themselves emulate the Romanian practice on the issue of national minorities." Emphasizing that Romania approaches the minority issue by "taking into consideration our specific conditions linked by history, traditions, and culture," Iliescu says that "it is an internal matter of each country how it finds the best solutions to this issue."

Comments on Strasbourg

AU0510162094 Bucharest Radio Romania Network in Romanian 1400 GMT 5 Oct 94

[FBIS Translated Text] Romania's President Mr. Ion Iliescu returned a short while ago from Strasbourg, where he participated in the fall session of the Parliamentary Assembly of the Council of Europe and had talks with the president of the Parliamentary Assembly Miguel Angel Martinez and the general secretary of the Council of Europe Daniel Tarchys. Here is the statement made by Romania's president on his arrival in Bucharest:

[Begin Iliescu recording] I believe there is no need for me to go into details about my visit there, since my speech from the Parliamentary Assembly of the Council of Europe was broadcast live at home. I would only like to emphasize the significance of this moment, which coincided with the first anniversary of Romania becoming a full-fledged member of the Council of Europe. This invitation, which the Council of Europe addressed to Romania's president, that is to the head of the Romanian state, to attend the Parliamentary Assembly meeting—which is a normal practice in the activity of the Council of Europe—marks what certain representatives of the Parliamentary Assembly leadership told me yesterday, namely an entrance into normalcy. The fact is that Romania is a member of the Council, consequently its presence at the Parliamentary Assembly was not an opportunity for questions about the likely or less likely status of our country, but rather for a normal and natural dialogue with one of the heads of the member states, on matters of concern to the respective countries and on matters in the attention and concern of the Council of Europe regarding various European political issues, the relations among states, and matters pertaining to the promotion of democracy in the internal and international life and in the relations among the states.

On the matters discussed, my speech there, and the interest aroused by the Romanian state's presence—which can be seen in the large number of questions put to me, but unfortunately I did not have the necessary time to answer all questions—proves that we have entered into normalcy, as I was told this morning. Romania is perceived as an active member, with a constructive presence in the activity of the Council of Europe.

This morning, I experienced a particularly emotional and affective moment, when I visited the cemetery of the former Romanian prisoners of war from Alsace-Lorraine. That was a special meeting. The local administration and the Association of War Veterans are showing interest in and taking care of the cemetery, which looks very well kept. I also experienced a special moment when I met a young person, whose father and grandmother helped the Romanian prisoners. Among the people I met there was a man from Oltenia—a fellow Oltenian, I should say—the linking man from among the Romanian prisoners, who was helped by this family and survived. That was a very emotional moment. I think that the whole delegation experienced this very special and significant moment, which is characteristic of the traditional and basic relations between the Romanian and French peoples. [end recording]

Tinca Addresses Reasons for MiG Crashes

AU0510212594

[FBIS Editorial Report] The dailies ADEVARUL, ROMANIA LIBERA, TINERETUL LIBER, VOCEA ROMANIEI, and EVENIMENTUL ZILEI in Romanian on 3 October all carry 100- to 400-word reports on the conclusion of the military exercises codenamed Jubilee '94, held between 28 September and 3 October in Transylvania by Romania's 4th Transylvanian Army, headed by Colonel General Paul Cheler. The drills were attended by observers of several foreign countries and NATO.

Reporting on the last day of the military drills, TINERETUL LIBER on page 7, under the signature of Titel Folea, reports: "The military drills with live ammunition shooting, which took place on Friday, 30 September, on the third day of the 'Jubilee '94' exercises proposed to repel an enemy that had penetrated an area along the Aries River valley. The 'battle' was attended by Cluj Mayor Gheorghe Funar, Cluj County Prefect Grigore Zanc and, last but not least, Defense Minister Gheorghe Tinca. Almost 1,000 soldiers contributed to the combat action which lasted exactly 150 minutes. Infantry companies, tanks and paratroopers, cannon batteries, and guided missiles put to flight the adversary, which consisted of 370 mobile targets. Observers from 15 countries, together with representatives of the press witnessed the 'conflict,' which gave rise to heavy clouds of smoke, spread the smell of gunpowder, and deafened the audience. Minister Tinca was surprised by 'the very good coordination between the various segments of the combat units.'" The article further reports that "the use of Cargo-type shells fired from 152-mm howitzers attracted special attention. This shell contains 57 smaller projectiles that explode after the shell impacts with the target, with devastating effects for a radius of 200 meters."

In connection with the aforementioned drills and the ammunition used, an unattributed article on page 6 of the aforementioned issue of the government daily VOCEA ROMANIEI says: "At the Bogata-Turda military firing range, which has been selected for military training as part of the Partnership for Peace program, a tactical exercise with live ammunition took place with 'the armored infantry battalion on the offensive' as its theme. This maneuver, which was executed by an army corps under the command of Major General Nicolae Oprea, marked a national first, as they used the Israeli-made Cargo-type artillery ammunition for the first time. We remind our readers that the aforementioned shells were purchased when Lieutenant General Niculae Spiroiu was defense minister."

Regarding the MiG-21 fighter jet crash on 29 September in the same area, during a training flight for the Jubilee '94 exercises, reporters from all the aforementioned dailies questioned Defense Minister Tinca, who, according to the report in daily TINERETUL LIBER said: "'Our pilots have still not entirely made up for their difficulties and training deficiencies.' This is so because it was only this year that sufficient fuel for pilots' training flights was provided. 'Even under present circumstances, the funds earmarked for that area are insufficient,' Tinca said. Without sufficient flying hours, without sufficient airplane time, the twin machinery of pilot and fighter jet cannot function properly up there, at an altitude of several thousand meters. 'We should continue to give them fuel for another one to two years, only then can we hope that no more accidents will occur,' said Tinca. Until that time, the national defense minister believes that 'further MiG's will crash!'"

Regarding the consequences of the 29 September crash, EVENIMENTUL ZILEI on page 14 reports that "Despite the fact that two days earlier helicopters and MiG jets also participated in preparations for the drills, none of them took off for the exercises proper. According to a statement made by General Cheler, the fighter jets did not fly 'because of fog,' although actually it was sunny.

Reporting on the news conference that followed the conclusion of the Jubilee '94 military exercises, ROMANIA LIBERA on page 5, under the signature of Virgil Lazar, reports: "During the 1 October morning news conference, Colonel General Paul Cheler, the commander of the 4th Transylvanian Army confessed that he had disseminated to the foreign guests—27 military observers from 14 countries, including Germany, France, Portugal, Great Britain, the United States, Canada, Ukraine, Hungary, and others—issues of two patriotic volumes titled 'Transylvania and Again Transylvania,' by David Prodan, as well as another one, revealing the way in which the population was forcibly Hungarized in that Romanian province before the Great Union and the Vienna dictate. Asked by the ROMANIA LIBERA correspondent whether he does not think that the representatives of the Hungarian Army might see this present as an antagonist Romanian Army gesture, General Cheler declared that he intended to pay back in kind the Hungarian military, because, he said, the HungarianArmy representatives insisted on presenting him with a booklet that criticized the 'injustice' done to Hungary by the Trianon treaty during a visit with Cheler's army. Of course, everyone laughed copiously hearing Cheler's statements, although someone did remark in a muted voice that General Cheler's action had the most authentic Vatra Romaneasca- and Funar-inspiration."

EVENIMENTUL ZILEI concludes the report citing the fact that "the total cost of the military exercises amounted to 2 billion lei."

Government Exchanges Serb POW's for Camp Inmates

AU0510210894 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 5 Oct 94

[Report by Enes Musovic from Gorazde]

[FBIS Translated Text] [Words indistinct] and talks on the current political situation in this town, the Bosnia-Herzegovina Presidency and Government signed an agreement on the exchange of POW's with the Serbian aggressor's side, led by Momcilo Krajisnik. This exchange, which started today, (includes) the camps in Foca, Rudo, Visegrad, and Rogatica, and also involves some camp inmates from Kula and Batkovici. All together, 255 prisoners will be released. These are people from upper Podrinje whom the chetniks imprisoned at the outset of the aggression against the region. Twenty-five captured soldiers of the Serbian aggressor's side have been released today. This exchange also included 50 citizens of Serbian nationality from Gorazde, and 33 wounded and seriously ill people, who could not be treated with adequate medical care in the Gorazde hospital.

According to Esad Okranovic, president of the Gorazde Municipal Executive Commission, the agreement signed between our side and the Serbian aggressor at Sarajevo airport envisages that the UN Protection Forces [UNPROFOR] will evacuate those civilians of Serbian nationality from Gorazde by road. Some of the seriously wounded will be evacuated by helicopter, while others will be evacuated by road. This agreement resolves some other questions, particularly those relating to the stabilization and normalization of the humanitarian situation in Gorazde. It has been agreed that some seven to nine convoys carrying humanitarian aid should enter Gorazde immediately, that the evacuation of the sick and wounded should continue without any let up or hindrance, and that as much school equipment, clothes, and shoes as possible should be delivered for children, particularly those of school age.

Sarajevo Exchange Completed

AU0610104694 Paris AFP in English 0950 GMT 6 Oct 94

[FBIS Transcribed Text] Sarajevo, Oct 6 (AFP)—The biggest exchange of Moslem and Serb prisoners-of-war in seven months ended early Thursday in Sarajevo, according to a official from the International Committee of the Red Cross.

"Everything went according to plan," said the official, who asked not to be named. "It's over," he added, after a long night of negotiations which finally reached its climax at 6:10 a.m (0510 GMT) when the first prisoners started crossing the Bridge of Brotherhood and Unity in downtown Sarajevo. In total, some 294 prisoners were exchanged, the official said,—128 Serbs and 166 Moslems—according to final figures collated by the ICRC.

A degree of confusion had reigned throughout the night over the exact numbers of prisoners involved in the exchange, the figure ranging from 250 and 286 according to different organisations involved in the operation, the largest since the signing of a ceasefire accord in February.

On August 17 some 27 prisoners were freed across the bridge, in line with an agreement in principle, reached June 8, to release all prisoners on both sides. The prisoner swap completed Thursday was agreed October 1 after a marathon 20-hour negotiating session at Sarajevo airport between the Bosnian Government and the Serbs.

The accord provided for seven aid convoys from the office of the UH High Commissioner for Refugees to be allowed into the besieged Moslem enclave of Gorazde, the evacuation of 26 sick and wounded people from Gorazde to Sarajevo, and the prisoner swap. All three events were inter-linked and the prisoner exchange only got underway late Wednesday after the arrival of the medivac convoy in Sarajevo.

The Serb prisoners had been held in Sarajevo prison and also Konjic, southwest of the capital, and Gorazde, the ICRC official said. The Moslems were released from Foca, southeast of Sarajevo, and Rudo and Visegrad to the east, the source added. A further group of 22 prisoners—11 from each side—is due for release under the terms of the October 1 airport agreement, the official added.

The exchange was completed after a day of drama in the Bosnian capital. Some 120 Moslems rounded up from villages in the Rogatica area of eastern Bosnia were Wednesday expelled across the same bridge only hours before the prisoner exchange was due to take place.

Many of the victims of the latest round of ethnic cleansing, who were cared for by family relations or friends, said they had only been told at midnight Tuesday that they were to be forced from their homes. Aid officials had earlier spoken of some 100 having crossed the bridge with around the same number waiting to come across. One of those expelled, Munevera Handrik, 30, told AFP she was "relieved" to be out because of a campaign of terror on Moslems.

The expulsions were seen here as a calculated rebuff to visiting UN special representative Yasushi Akashi, who met Serb leaders in their Pale stronghold where he secured the reopening of Sarajevo airport from midday (1100 GMT). Last month he expressed dismay at continued ethnic cleansing in the northeastern Bijeljina region and warned those responsible faced prosecution by an international war crimes tribunal, whose chief prosecutor, Richard Goldstone, arrived in Sarajevo Wednesday.

Akashi said he had not been aware of Wednesday's expulsions but had reaffirmed his condemnation of the practice to Bosnian Serb leader Radovan Karadzic.

Serbs 'Challenge' UN by Expelling Muslims

AU0510202594 Paris AFP in English 1955 GMT 5 Oct 94

[Report by Jon Boyle]

[FBIS Transcribed Text] Sarajevo, Oct 5 (AFP)—More than 100 Bosnian Moslems were driven from their homes and expelled across a bridge in downtown Sarajevo Wednesday [5 October], in a direct challenge to visiting UN special envoy Yasushi Akashi's condemnation of ethnic cleansing.

The Moslems were rounded up around midnight Tuesday from their homes in the village of Satorovici, near the town of Rogatica in eastern Bosnia, and forced across Sarajevo's Brotherhood and Unity bridge, said UN High Commissioner for Refugees spokesman Kris Janowski.

The move came the day of a planned exchange of 300 Bosnian Serbs and Moslems across the same bridge, in what observers interpreted as a calculated rebuff to Akashi who was meeting Serb leaders in their Pale stronghold late Wednesday after talks with Bosnian government members.

At least 83 people had crossed the bridge by 8:15 p.m. (1915 GMT) in two separate groups, said an AFP correspondent at the scene, while around another 100 were waiting to cross.

Munevera Handrik, 30, expelled from Burate, said: "We were 65 in our village, now there is no-one left. "The Serbs told us two months ago that we would be expelled. This morning at seven o'clock those in charge of the expulsions came and told us that it was for today. They allowed us to take two suitcases and a little food but they did not take our money."

The expelled Moslems were taken to the bridge by the Bosnian Serb authorities in buses, without the presence of international humanitarian organisations, and taken into care by the city authorities. It was unclear what impact the expulsions would have on the planned prisoner swap.

In a letter dated September 20 Akashi expressed his "utter dismay" to Bosnian Serb leader Radovan Karadzic that thousands of Moslems were being ethnically cleansed from the northeastern Bijeljina region, despite assurances from Karadzic that he had ordered a stop to the practice. He warned that "those responsible for such continuing criminal acts will, of course, be subject to investigation and prosecution by the International Tribunal on War Crimes in the former Yugoslavia."

The tribunal's chief prosecutor, Richard Goldstone, arrived in Sarajevo Wednesday for talks with senior Bosnian officials. "We understand that up to 100 people, probably more, crossed the bridge," said Janowski. "From preliminary interviews we know that many people were told at midnight last night to pack up. It is totally unacceptable," he said, adding: "at least four people interviewed at the bridge said that they were brought to the bridge against their will."

The UNHCR has been denied access to the Rogatica area since April, he said.

The timing of the Serb move caused surprise given the delicate negotiations which had preceded the prisoner exchange, whose success was linked to the safe arrival late Wednesday of medical evacuees from the besieged eastern enclave of Gorazde.

Akashi Rejects Serb Claims on Sarajevo Airport

AU0510192594 Paris AFP in English 1854 GMT 5 Oct 94

[Report by Michel Moutot]

[FBIS Transcribed Excerpt] Sarajevo, Oct 5 (AFP)—UN special envoy Yasushi Akashi firmly rejected Bosnian Serb claims to Sarajevo airport Wednesday [5 October] ahead of talks later in the day with their leaders in their Pale stronghold, just outside Sarajevo. In addition to discussing the situation at the airport, closed since September 25 because of Serb attacks and threats, Akashi was also expected to discuss continued Serb obstruction of UN and food relief convoys.

Addressing a news conference here before leaving for Pale, Akashi stressed that the United Nations remained of the opinion that Sarajevo airport should remain under the exclusive control of the UN Protection Forces (UNPROFOR). [passage omitted]

UNPROFOR officials here also said the Bosnian Serbs were out to "punish" the UN by keeping the airport closed for two weeks in reprisal for a North Atlantic Treaty Organisation air strike against one of their tanks on September 22. The attack against the tank, located near the capital in breach of a heavy weapons' ban in the area, came after Bosnian Serbs destroyed a UN armoured vehicle and injured several peacekeepers.

The airport shutdown combined with a Serb ban on overland convoys through the 70 percent of Bosnia controlled by their forces has prompted fears about Sarajevo's dwindling food stocks with only a week's supplies left in UN warehouses.

The Serbs have so far failed to fully honour pledges made Saturday for UN resupply and humanitarian convoys to be granted unimpeded access to Serb-held parts of Bosnia. [passage omitted]

Serbs Begin 'Campaign' To Disrupt Aid Convoys

AU0510152494 Paris AFP in English 1307 GMT 5 Oct 94

[FBIS Transcribed Excerpt] Sarajevo, Oct 5 (AFP)—Bosnian Serbs Wednesday [5 October] targetted UN fuel trucks in a systematic campaign to disrupt resupply and aid convoys which an aid official warned could spark food shortages within a week, as a top UN official arrived to defuse the crisis. [passage omitted]

The Serbs granted transit clearance to 20 UN Protection Force (UNPROFOR) convoys for Wednesday but limited 10 fuel convoys to just 20 percent of the planned capacity, said UNPROFOR spokesman Major Koos Sol. "In most of the cases they limited it to 20 percent of the amount requested," he said. Ten other convoys were allowed to proceed unhindered while clearance for one convoy was turned down.

Earlier, another UNPROFOR spokesman had said 14 convoys had been affected, with convoys allowed to carry only enough fuel to complete their journey.

Kris Janowski, spokesman for the UH High Commissioner for Refugees, warned the airport's continued closure could force the UNHCR to set up a seven-day a week food trucking operation. "There is food until the end of the week, but if the airlift does not resume soon, or if we don't get clearance for quite massive convoys, then the situation sometime next week will start getting quite difficult." [passage omitted] "What is happening is that the UNHCR are getting clearances to get through under the agreement signed Saturday. However, we seem to be getting no clearances for other convoys." [passage omitted]

Ganic: UNPROFOR Promises Sarajevo Guarantees

AU0510200194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 5 Oct 94

[Report by Senada Cumurovic on news conference by Ejup Ganic, member of the Bosnia-Herzegovina Presidency, and Yasushi Akashi, special envoy of the UN secretary general, in Sarajevo on 5 October—recorded]

[FBIS Translated Text] [Cumurovic] During the talks between Ganic and Akashi, in the presence of Sergio de Mello and General Bertrand de Lapresle, six points were discussed. Presidency member Ejup Ganic said the following at the news conference about the main points discussed at the one-hour talks:

[Ganic] First of all, we warned the UN Protection Forces [UNPROFOR] about the aggressor's new offensive on the Bihac region. We asked for preventative measures by UNPROFOR [words indistinct].

The other point discussed at the talks was the continued ethnic cleansing and genocide on the temporarily occupied territory [words indistinct]. We have again asked UNPROFOR today to help stop the genocide, not just to watch it impassively.

The third point discussed was the problem of Sarajevo, and the roads leading to Sarajevo, and the lifting of the blockade of Sarajevo airport. We received assurances that UNPROFOR would soon open the airport. We also received assurances that UNPROFOR would secure the delivery of food and other necessities to Sarajevo. We received assurances from the military part of UNPROFOR—if I can call it that—that they would stabilize the situation in the Sarajevo area, and would not allow the aggressor's side to fire on the access roads.

The fourth point that we discussed was the use of NATO air power. There are wide differences on this issue.

[Cumurovic] The other points discussed at today's talks were connected to the grave humanitarian situation, the opening of Tuzla airport, the exchange of prisoners and missing people [nestali], while the last point considered was the demilitarization of Sarajevo. It was agreed that a team of five doctors from Bosnia-Herzegovina and European countries should visit Srebrenica, and determine exactly what the health conditions were in that UN protected zone.

Yasushi Akashi, envoy of the UN secretary general, who has been consistently refused access by war criminal Radovan Karadzic to Banja Luka, Bijeljina, and other areas—where acts of genocide are committed without hindrance—again had nothing concrete to tell reporters. First he marked as a positive step the exchange of prisoners, which was supposed to have taken place today, saying that this would contribute to a more favorable outcome of other issues. He also expressed his concern over the situation in Sarajevo, and the problems with natural gas and food, and he said that he would discuss these in Pale, together with the issues of opening the Sarajevo airport and roads.

As for the situation in other parts, particularly in Srebrenica, Akashi said:

[Akashi in English with superimposed Serbo-Croatian translation] UNHCR is ready, regardless of everything, to start an airdrop operation on Srebrenica. I will discuss this in Pale, and I hope that—if we cannot solve all the problems—we will at least make some progress, and alleviate the suffering of the people in Srebrenica and Sarajevo this winter. I would also like to say another thing, and that is connected to the relations between NATO and UNPROFOR. The media gave an exaggerated picture during the last meeting in Split with U.S. Secretary of Defense Perry, stressing the differences in the views of NATO and UNPROFOR. We agreed with Perry that air strikes have to be used if the need arises and they have to be effective. Therefore, our views differ, [as heard] but that is not a general difference in opinion between NATO and UNPROFOR.

[Cumurovic] As for reporters' questions, they mostly referred to the Sarajevo airport situation, such as the aggressor's demand to take control of it following UNPROFOR's withdrawal. Akashi said that Sarajevo airport has been under UNPROFOR's exclusive control since June 1992, and that this would remain the case until the situation is normalized. Yasushi Akashi, envoy of the UN secretary general for the former Yugoslavia, then left Sarajevo for Pale.

Power Supply To Improve in 'Next Few Days'

AU0610104794 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 6 Oct 94

[FBIS Translated Text] Despite the fact that a part of the Kakanj and Tuzla electric power plants' capacities have been reintegrated into the network, the power supply has not improved significantly because the amount of power—under conditions of the sudden drop in temperature—does not even satisfy all the priority consumers' requirements. According to information supplied by the Elektroprivreda Electricity Board, distribution to the consumers will not follow the earlier distribution schedule, which means that households will receive electricity only if priority consumption decreases overnight. The situation will not improve until the new capacities of the Tuzla electric plant and the first generator in the Rama electric power plant are integrated into the network. This is expected to happen within the next few days.

The Bacevo spring is the only source supplying water to Sarajevo, and these amounts are inadequate for the normal supply of the city, reports the Waterworks Information Service. Owing to the lack of power at the Brijesce pumping unit, water has not been supplied to the district of (?Hotonje). The residents of (?Velesic), the upper part of Pofalici, Kosevo Hospital, and the central parts of the city will receive water in the course of the morning.

Serbian Planes Reportedly Violate No-Fly Zone

AU0510153094 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 5 Oct 94

[FBIS Translated Text] [Words indistinct] when the enemy used artillery against Tesanj and the free territory of Doboj and Teslic. Overnight, enemy aircraft were spotted flying over in the direction of [words indistinct], but they did not attack.

'Extremely Grave' Humanitarian Situation in Zepa

AU0510204194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 5 Oct 94

[FBIS Translated Text] Over the last few days information has been arriving from the Zepa protected area on the increasingly frequent attacks by the aggressor on this area.

Our correspondent Hazim Heric has just sent a report, stressing that today the chetniks shelled the wider area of the municipality and its central parts, and also targetted the area with small arms fire. Our colleague Heric says that the humanitarian situation in Zepa is extremely grave. He says that convoys used to arrive once a week until 22 September, but the Karadzic's Serb authorities are not allowing the UN Protection Forces vehicles—which brought the food in—to leave Zepa.

The hygienic and epidemiologic situation in Zepa is also deteriorating, and the [word indistinct] and the number of contagious diseases is increasing daily. The Zepa people have addressed a dramatic appeal to the United Nations to save this heroic place and its people from a quiet death.

Commentary: Border Open, U.S. Policy 'Unclear'

AU0510214194 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 5 Oct 94

[Commentary by Erol Avdovic from New York]

[FBIS Translated Excerpt] It is amazing that—although they were obliged to do so by their official duty—no one in the UN headquarters reacted to part of the report by one of the cochairman of the Geneva conference on the former Yugoslavia concerning the monitoring of the alleged blockade on the Drina River. Thorvald Stoltenberg put in some very interesting details in his warm recommendation to Secretary General Butrus-Ghali from 3 October, which appeared this morning at the UN Press Center. All that was needed for the start of the easing of the sanctions against Belgrade was Butrus-Ghali's signal for the Security Council Resolution 943 to come into force at midnight last night. It was based on the report that the border was closed and suitably controlled by local customs' officers. The Norwegian diplomat reported that there were trucks travelling to Croatia carrying—as he said—goods for transit through the territory of the Bosnian Serbs—he must have meant the areas terrorized by Karadzic's forces—but they were now sealed to prevent possible subversion, and the loss of goods on the way. Stoltenberg also claimed that these were permitted goods, that is, food and medicine, thereby giving rise to suspicions that the trucks were carrying goods of a completely different character: munitions, weapons, and strategic material. [passage omitted]

Here in the United Nations, there are claims of shameless corruption on the part of the Owen-Stoltenberg duo, be it concrete cash or political promises and credits, and new appointments. As for Stoltenberg—seeing that his candidacy for NATO secretary general has failed—there are claims that he will be appointed Norwegian ambassador to the European Union. The real question here is whether there is any way to stop this negative process after all Bosnia's concessions, and also mistakes.

Let me also say that, following the statement by Pentagon chief William Perry in Split that NATO would attack the Bosnian Serbs without any special announcements, after he avoided landing at Sarajevo airport and thus opening it definitely, the behavior of the United States is unclear.

First, after the recent talks with the Bosnia-Herzegovina state delegation here in New York, the Americans apparently hinted that they would intensify the monitoring of the border from the air with AWACS and satellites.

Second, it is not clear whether U.S. Secretary Perry, who in Split threatened the Serb rebels in the presence of General Michael Rose, following a series of negative media reports—some U.S. media even spoke of the replacement of the British general for his failure to carry out his tasks in Bosnia—it is not clear whether the threats issued by Perry were based on Rose's compromised reports, as they are seen here, or on more precise, perhaps satellite, evidence of the violation of the blockade and the exclusion zones.

Third, last night British Ambassador David Hanney, who chairs the Security Council this month, announced that the Americans would deliver their latest reports on the hot Drina border and the exclusion zones, deliver, mind—as though on a tray—to none other than David Owen himself.

Pale's Krajisnik Views 'Rift' With Belgrade

AU0310180994 Belgrade NIN in Serbo-Croatian 23 Sep 94 p 18

[Interview with Momcilo Krajisnik, chairman of the Bosnian Serb assembly, by Jovan Janjic; place and date not given: "A Bad Calculation"]

[FBIS Translated Text] Momcilo Krajisnik, the chairman of the assembly of the Srpska republic, is a great national dreamer, and, as he himself claims, a Serbian unitarian. He cannot endure altercations among Serbs and especially the rift that arose from the separation of the Serbs east of the Drina River [in the Republic of Serbia].

[Janjic] The observers have arrived at the Drina River. What does this mean for the Srpska republic?

[Krajisnik] Many mistakes have been made lately. The blockade of the Srpska republic is unprecedented in the history of the Serbian people. This blockade is unbelievable, more severe than that against the Federal Republic of Yugoslavia [FRY]. In order to make both the blockade and the position of the Serbian people as severe as possible, it has been required that international observers be stationed along the border with Serbia. There have been attempts to explain their arrival by describing them as "civilians, humanitarian, not military observers," in order to hush up our national shame. If they were really "civilian observers," their boss would not be General Pelnass, with whom we have had good experiences, but he is still a general, which means that the observers are in effect soldiers without uniforms who will carry out precise monitoring and spying activities, too. The observers will leave, but the bad memory, which will prove to be a big mistake, will stay for ever. History will remember these observers as an example with which to teach our children how one part of the Serbs abandoned another.

[Janjic] Do you think that the activities of the observers could be widened and their presence intensified?

[Krajisnik] Everything is based on a bad calculation. It was considered that the blockade on the Srpska republic and the deployment of the observers would mean the lifting of sanctions. This can be compared to the slaughtering of an ox for a pound of meat. It is a drop in the ocean. The announced softening of the sanctions is a humiliating measure, which should not be accepted by the Serbs if they are proper Serbs. I am convinced that the requirements of the international community will become even more rigorous, they will be expanded, and they will not remain a small requirement.

[Janjic] What new concessions do you expect?

[Krajisnik] I do not want to make any guesses. It has been announced that it will be required that the FRY recognizes Bosnia-Herzegovina and Croatia, then grants a high degree of autonomy to the Kosovar Albanians, recognizes Macedonia [The Former Yugoslav Republic of Macedonia], grants national rights to the minorities in Vojvodina, and—as it has been expressed—introduces democracy into Serbia. These are humiliating requirements. Nikola Pasic and King Aleksandar did not accept the visit of a Austria-Hungarian delegation to check whether the assassins of Franz Ferdinand were from Serbia [in 1914]. And this present leadership.... In any case, this would have been unimaginable a year ago. At that time Serbian and Montenegrin politicians made a series of statements that they would never give up the Serbs west of the Drina or accept observers.... They were even so resolute as to prohibit CSCE members from coming to Kosovo.

[Janjic] What is your explanation for the present turnaround?

[Krajisnik] It is the official attitude of the federal government, which is entitled to take such decisions. Mr. Kontic will not be able to hide himself behind the crucial problem. He and Mr. Lilic will be the first to be found guilty of treason because they are signing the acts and making the decisions. As far as the turnaround is concerned, there are objective and subjective reasons for it. Objective is that the FRY has already been under sanctions for a long time, and the people have already been suffering for a long time. Subjective is that this problem is not interpreted in the same way in Belgrade, [Bosanska] Posavina, Herzegovina, Sarajevo, Kupres, [Bosanska] Krupa on the Una, Benkovac.... We can feel this problem much more intensely since "charity begins at home." All this cannot be justified. We made our plan together, we fought together, and nobody can reproach us now for rejecting losing the Srpska republic and a compact state. People acting like this only look at their own interests, which very often correspond to convenience, unlike the people who are losing their lives, who are paying with their lives for the things they are fighting for today.

[Janjic] Do you think that you have been deceived and abandoned?

[Krajisnik] We certainly do not deserve the things done to us by Lilic and Marjanovic as well as by other leaders, too, particularly Bulatovic in a session of the Montenegrin parliament. This does not correspond to the relations that we cherished until that session. We feel very bad and sad. We are close to the realization of our aims, and the plan made by the Contact Group would have collapsed but for the embargo against us. The embargo made it possible for the plan to survive, even though we rejected it in our referendum. The Yugoslav leadership has to be given "credit" for this. I am a supporter of one Serbian state, I want all this to be Serbia, I want us to create a unitary, firm state, just as other people have created their own states throughout history. We have now created enough material for those who wanted another solution. [sentence as published] Many people are telling us now: "We have told you that it would never come to a merger, since there are people who do not want it!" In this way a spoke was put in the wheels of the bicycle that we have to ride up the hill to reach ultimate freedom. There is a joke which is, unfortunately, true—that the Serbs imposed the embargo against the Srpska republic in order to prove to the world that they are much more successful.

[Janjic] Do you think that the Contact Group's plan would have been successful if there had been no pressure from Belgrade?

[Krajisnik] I think that that was the time to make a global Serb-Croat agreement.... The Muslims do not believe that the United States is working against them; they reject compromises and want somebody else to make a state for them. Therefore we think that the Contact Group plan would have collapsed. We would have had a difficult time for a while, but the plan would have been reconsidered. When we discussed ending hostilities in Geneva, Lilic said at a union meeting that 12 million Yugoslavs would not play hostages to certain leaderships. This was the beginning of our rift.

[Janjic] Were there any other indications?

[Krajisnik] If we make an analysis now, we know that there were indications pointing to our disassociation, but we overlooked them.

[Janjic] Can you give us a concrete example?

[Krajisnik] First of all, we parted as friends after the meeting in Dobanovci, where we had clearly stated that we could not accept the offered maps. The letters came later on! Then the attacks on me started, and we were reproached for protecting chetniks in the Srpska republic, which is simply not true. We just want national reconciliation. We want neither chetniks nor partisans in our territories.

[Janjic] Your statement about chetniks had a powerful echo....

[Krajisnik] When the group from Ravna Gora [Serbian town where the Chetnik movement was founded after Yugoslavia's capitulation in 1941] contacted me with the wish to visit me, I asked myself what I would have done had a group of partisans come along with the same wish, whether I would have received them, too. If I had received them, why should I not receive the people from Ravna Gora? In our conversation, they asked me whether they could organize a parliament. I told them with the best intentions not to do anything like that. I explained to them our declaration on an amnesty for chetniks. I especially stressed that we would never amnesty traitors and war criminals. It is another problem that they have not achieved any political victory. Their answer was a horrible ideological attack. It was not enough for them to hear that we celebrated 25 May and paid respects to the many young soldiers who lost their lives in Drvar [on 25th May 1944, the German Luftwaffe carried out a heavy air attack on Drvar, the then command headquarters of the partisans], that we laid wreaths on their graves, and that the priests sang the requiem for Mladen Stojanovic [celebrated partisan killed by the chetniks in 1942] and soldiers from this war.... A reason was sought for why we rejected certain things; there was no map for certain politicians, which was unacceptable. [sentence as published]

[Janjic] Regardless of all concessions?

[Krajisnik] Pressure was exerted on us to give the Muslims 30 percent [of the territory]. We gave them 30 percent. This was the Owen-Stoltenberg plan. Then they required 33 percent. We agreed. They required that we made concessions regarding certain parts of our territory. We agreed to that, too.... I can remember one of the conversations that we had with certain politicians whose names I do not want to mention, at the time this map was being offered to us. All of us laughed. Mr. Kontic said that that was not a map of peace, but a map of war, but then....

[Janjic] Political immorality?!

[Krajisnik] As far as certain politicians are concerned, we can speak about political immorality. There is not a place or a region in both Serbia and Montenegro that the people of the Srpska republic would give up for the removal of sanctions. Especially not if these places were Pristina, Podujevo, or Rozaje. I am sure that our people, including myself, would defend them. We would not only defend them, we would suffer hunger and sacrifice other things to enable them to stay in Serbia.

[Janjic] What will happen if the FRY recognizes Bosnia-Herzegovina within the borders drawn after World War II?

[Krajisnik] If Serbia does this, it will be making a new mistake. Bosnia-Herzegovina does not exist. If they do a thing like that, it would be comparable to a person joining the Ustasha movement in 1945. This would make the position of the Serbs in the Srpska republic and in Bosnia-Herzegovina in general significantly more difficult. This would be a wound that would not heal easily.

[Janjic] Would the people give up their state, the Srpska republic, in that case?

[Krajisnik] This would only be pain for them, but as far as Bosnia-Herzegovina is concerned, nobody can save it. It has never existed as a state, it has never been established as a state, and it will never be because the Serbian people do not accept this.

[Janjic] The meeting in Dobanovci between the leaderships of the Srpska republic and Serbia, held on the eve of the referendum on the Contact Group plan, is very often taken as an argument for attacks on the Srpska republic leadership. What was the topic of the talks in Dobanovci?

[Krajisnik] We had several meetings, and in the last two we seriously discussed the problem of the Contact Group maps. We clearly said that we could not accept them, we said that there was not such a Serb who could sign them. They required that we offer them a solution that would be the argument for those people who agree that these maps were bad. So we passed our decision in the assembly, we put it into an envelope, and we sent it to them. We made our move and it played its role. We said in the Dobanovci meeting that we would reject the maps if we were asked to give an answer whether or not we approved of them. We wanted to create conditions for negotiations, however. We are being reproached now that they were betrayed. No. We have always known that we could not accept the maps. Our attitude has always been clear. We have never promised that we would accept them. I do not understand that there could be a Serb who thinks that such maps should be accepted.

[Janjic] Have you had contacts with the leaderships of Serbia, Montenegro, and Yugoslavia since the blockade was introduced on 4 August?

[Krajisnik] This is not a feigned rift, it is genuine. I would be happy if I could say that all this was a game, or some kind of a dream. It is a genuine rift, however. There has been no contact whatsoever up to now. People have been to visit us privately trying to mediate, but there has been no official contact.

[Janjic] Have you asked for a meeting to repair relations?

[Krajisnik] We have invited them to unite with us. We have made an open invitation through our policies. We are simply confronted with a situation in which we have no choice, we have no opportunity for contacts. On the contrary, we only have the blockade, the embargo, serious accusations, and prognoses that we will capitulate soon. Naturally, none of this is true.

[Janjic] Can the Srpska republic endure all these pressures and the blockade?

[Krajisnik] The Srpska republic will survive. The people will win. We shall reach a compromise on borders with the Muslims and the Croats. The Srpska republic will be history one day. [sentence as published] I hope that the Serbs will include this part of their healthy people and their healthy territories into a joint Serbian state. I am an optimist.

Granic Criticizes Slovene Annexation Act

LD0510151994 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 5 Oct 94

[FBIS Translated Excerpt] [Passage omitted] Mate Granic, Croatian foreign minister and deputy prime minister, addressed the deputies today. He recalled that one of the aims of Croatian foreign policy is the establishment of good-neighborly relations with everyone and especially with Slovenia, and stressed that so far in the negotiations with this state we have shown patience and dignity, which could not be said of the Slovene side. This latest act by the Slovene parliament cannot be justified by anything, Dr. Granic said, and emphasized:

[Begin Granic recording] I recall that during the process of the [forming the] independence of the two states, statements were exchanged setting out that the two states recognize each other's international borders as they were on the day of the declaration of independence, that is on 25 June 1991. We have acted in accordance with this jurisdiction, so this is a unilateral act which, in strategic terms, is quite certainly a failure because it runs counter to all international norms. If it is a tactical move it takes us further away from negotiations. [end recording] [passage omitted]

At the end of his address Granic said:

[Begin Granic recording] Intensive preparations are under way for the international court or international arbitration, because we have given this matter detailed consideration and we believe that we are in a significantly better position. This is a lengthy process but in this case we lose far less at this time because trade has declined significantly, something which is damaging the Slovene state to a far greater extent. But we must be thoroughly prepared for the international court case. [end recording]

Dr. Granic and many other deputies warned that this Slovene move will harden Croatia's stand in the negotiations with Slovenia and, reacting to the initiative of Ante Dzapic [chairman of the right-wing Croatian Party of Rights, HSP], that Croatia should step up its military readiness, Dr. Granic replied that the government is also taking the military aspect of this problem into consideration. [passage omitted]

Deputies Condemn Slovene Act

AU0510162194 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 5 Oct 94

[Report by Ilinka Todorovski from Zagreb]

[FBIS Translated Text] At the initiative of the Istrian deputies, Chamber of Representatives of the Croatian Sabor subsequently placed the debate on the Slovene Law on the Formation of Municipalities and its implications on Slovene-Croatian relations on the agenda in a summary procedure.

The representatives of all the deputies clubs concluded that this was yet another surprising, unjustified, and unilateral move by the Slovene state, that is, its highest legislative office. Perhaps for the first time in a year, the deputies of the lower chamber of the Croatian Sabor have found a common voice in concluding that Slovenia harbored territorial designs on Croatia, that this violated Croatian sovereignty, that the deputies of the Slovene State Chamber had evidently succumbed to irresponsible nationalists, and that international institutions and organizations, such as the CSCE, the Council of Europe, and the European Union, should be immediately informed of Slovenia's attempt to annex four Croatian villages.

President of the largest opposition party Budisa was very much surprised that even his party colleagues—the Slovene Liberals—had voted for the annexation of the four Croatian villages. Former speaker of the parliament Mesic criticized the Croatian Foreign Ministry for yielding excessively to Slovenia even before, which is also evident from the positioning of Croatian border crossings.

Foreign Minister Granic rejected all these objections and criticisms. He said that Zagreb will continue to maintain good neighborly contacts with Slovenia, but did say that it will not be as accommodating as it has been hitherto and that the latest Slovene act will considerably toughen the Croatian negotiating position.

Granic also said that the law passed by the Slovene parliament is invalid for Croatia and that Zagreb is also preparing for international arbitration. The Chamber of Representatives of the Croatian Sabor will pass a special resolution on this issue and demand an explanation from the Slovene parliament.

The Croatian Foreign Ministry has via the Slovene ambassador to Zagreb, Malesic, already sent a protest note to Ljubljana, which, in terms of its sternness, is supposed to have greatly exceeded any earlier ones.

IDS Official Views Dual Citizenship Issue

AU0410101694 Split SLOBODNA DALMACIJA in Serbo-Croatian 18 Sep 94 p 9

[Interview with Damir Kajin, IDS deputy president and president of the Assembly of the County of Istria, by unidentified correspondent; place and date not given: "If the Ministers Can, So Can Istrians"]

[FBIS Translated Text] *The possibility of some of the Croatian citizens applying for dual Italian-Croatian citizenship has lately stirred up feelings on the Istrian peninsula. Istrian priests, the Central Croatian Cultural and Publishing Society, the Chakavian Assembly, and Croatian President Dr. Tudjman have addressed the public on this issue. However, among the many reactions and announcements, there have been no public appearances of the IDS [Istrian Democratic Congress] leaders. This was an additional reason to conduct an interview* *with Damir Kajin, IDS deputy president and president of the Assembly of the County of Istria.*

[SLOBODNA DALMACIJA] Why has the IDS not made a public announcement regarding the issue of dual citizenship, considering that there has been a great deal of discussion of the issue in public?

[Kajin] On the contrary; you should become acquainted with the facts regarding how the phenomenon of dual citizenship appeared in Istria. A day after the demand for reexamining the Italian retirement pensions was legally presented in the Italian Parliament, the IDS made a public announcement, demanding that the Government of the Republic of Croatia oppose Rome's unilateral breaking of the 1957 convention ratified in 1961, as otherwise over 20,000 applications for dual citizenship could be expected in the area. To the present day, the government has made no announcements regarding the issue, so this phenomenon is primarily the responsibility of the government.

Cossiga's Role

[SLOBODNA DALMACIJA] Are you talking about the Law on Dual Citizenship or the proposal for the revision of the Italian law on pensions?

[Kajin] I am talking about the pensions. This happened in early July this year in the Italian Parliament. You should know that the Law on Dual Citizenship was adopted as early as June 1992. It is a fact that, in the two years since, the citizens of Istria have not applied for dual citizenship. They only started to do so when the Italian pensions were questioned. The Northern League insisted on it, and we should also bear in mind that they make up one third of the Italian Parliament, and, consequently, they participate in the coalition government. They demanded that the pensions be stopped for all those who are not Italian citizens. Another fact to bear in mind is that the Law on Citizenship passed in 1992 by the Italian Parliament was quite different in political content than the present one—we may say that it was very much inclined toward Croatia, as it publicly recognized it, not to mention the role of President Cossiga, a personal friend of our president's and the first foreign statesman to visit Croatia.

The applications for dual citizenship in Istria have no political background; they are made exclusively for social, economic, existential reasons. It would be illusory to think that there are political motives aimed at expressing disloyalty of the citizens of Istria toward the country they live in.

However, this state, that is, the authorities, should consider something else. The greatest number of the applications for dual citizenship were made by former antifascists, precisely the people who are the most responsible for the incorporation of Istria into its Croatian and Slovenian national territory.

The Right To Choose

[SLOBODNA DALMACIJA] How would you account for the fact that it is the Istrian antifascists who applying for Italian citizenship? It is absurd that it is precisely they who are renouncing their national identity!

[Kajin] No one is renouncing their national identity! This is only one of the possibilities, to acquire another citizenship apart from your own, following the Strasbourg Convention of 1963, which makes such things possible and following the Constitution of the Republic of Croatia—the Croatian law regulating the issue of dual citizenship. Finally, like the Croatian legal practice, this was also regulated in Slovenia, where there are some 160,000 dual citizens, and late this week, after the election of the new parliament chairman, following Rigelnik's resignation, we should expect a reexamination of their law on dual citizenship. Whether Croatia will do so remains to be seen. Personally, I do not believe it will, but it should apply identical criteria to the citizens of Istria and the inhabitants of the internationally recognized, independent—to the extent that its surroundings will permit—Republic of Bosnia-Herzegovina as in the case of government ministers who have foreign citizenship. Otherwise everything that is happening, including this campaign against Istria, will start to resemble the theater of the absurd. The same criteria should be applied to all! The IDS position is only the politically shaped position of the majority Istrian citizens. More precisely, we believe that this is an issue of the autonomous right to choose, and none of the people who have applied for dual citizenship should suffer harmful consequences.

[SLOBODNA DALMACIJA] You have mentioned certain ministers in the Government of the Republic of Croatia. Could you be a little more specific?

[Kajin] It is an indisputable fact that we have more than one minister with dual citizenship. It would perhaps be fair if they gave it up if this approach is taken toward Istria. This also goes for many parliament representatives, and the former prime minister, Mr. Sarinic.

[SLOBODNA DALMACIJA] While we are on the subject, I must ask you if any IDS leaders have dual citizenships, and if any of them have just applied for it.

[Kajin] To my knowledge, no prominent IDS members have dual citizenships or have applied for it. We are all relatively young people, so we cannot apply, even formally.

The Crucial Condition

[SLOBODNA DALMACIJA] Let us go back to the main topic. You said that no one was really renouncing their national identity, but that the issue was merely the possibility of acquiring another citizenship. However, one of the conditions is that the candidates have some knowledge of the Italian language and that they are members of the Italian minority, of which the Italian

Union will issue certificates. That means that the candidates do have to renounce their Croatian identity in a certain way!

[Kajin] We have to know that the applications have not been filed only by the citizens of Croatian nationality. There are some, but most of these applications have been filed by members of the Italian ethnic group, of which there are about 20,000 in the Croatian part of Istria. As far as these certificates are concerned, they are unfounded and inappropriate, although the practice is that many have required such documents. In acquiring dual citizenship, this should not be the crucial condition.

[SLOBODNA DALMACIJA] I learned at the Italian Consulate in Rijeka that they had a great number of applications in Croatian, which were immediately discarded, as the main condition—knowledge of the Italian language—is obviously not met.

[Kajin] It is possible. This confirms that people have applied for dual citizenship for various reasons, and that the political aspect is marginal. I do not see that there should be any political implications to this affair. The information that you have acquired at the Italian Consulate shows that a very restrictive approach will be taken in issuing dual citizenship, and we do not have to believe that there will be a great number of such passports in Istria.

Eighty Million German Marks

[SLOBODNA DALMACIJA] You have said that most of the people have applied for dual citizenship for social reasons, but it does not imply any material benefits. This is illogical!

[Kajin] At present there are over 10,000 people who receive Italian pensions. Following the Zagreb session and the meeting with the HDZ [Croatian Democratic Community], the Northern League representatives demanded in the Rome parliament that the conditions of the 1957 Convention be reexamined, and that Italian pensions only be granted to Italian citizens, and it is understandable that this was the main reason so many people in Istria applied for dual citizenship. This proves that the reasons are economic, social, and existential, rather than political. This is the essence.

[SLOBODNA DALMACIJA] You claim that this is the consequence of the talks between the HDZ and the Northern League?

[Kajin] There is no doubt that the talks were held, and I have first-hand information that there was also discussion of the Italian pensions. However, let me go back to the essence of the issue: If the condition is that only Italian citizens can receive Italian pensions, and if you know that there are 10,000 such cases in Istria, these people could lose their Italian pensions, which at present amount to between 518,000 and 640,000 lira, which means that Istria has about 80 million German marks of such income. Clearly our people decided they would apply for dual citizenship at a time when their existential status was in question.

The Northern League—HDZ

[SLOBODNA DALMACIJA] In that case, this is after all a "perfidious political game," as President Tudjman has said.

[Kajin] I would not use that term, but I would also not exclude the possibility that someone was aware what the reactions in these areas would be. It is indicative that, in the Italian Parliament, the National Alliance, the ultra right, opposed the posing of such demands for treating the Italian pensions in this way while the neo-liberal Northern League insisted on it.

[SLOBODNA DALMACIJA] It turns our that the regionalist Northern League is cooperating with the HDZ.

[Kajin] This is a mess in which there is perhaps some logic, but the fact is that the Northern League discussed the pensions with the HDZ in Zagreb, and that the HDZ has been posing the issue of these Italian pensions as one of the crucial political issues that supposedly produce Istrian disloyalty at all the public addresses to Istria for four years. The issue is the money that the HDZ has no direct control over, but at a certain point these pensions provided a certain social status to the people and relieved the state or the local self-management units of the social burden.

Finally, why was it two years before anyone raised the issue of the consequences that the Italian Law on Dual Citizenship implied? However, I like to say that when the Italian Parliament adopted the conditions of the present law, it did not do so for Istria, but in order to deal with some 4 million former Italian citizens living outside of Italy, most of them overseas. However, it is possible that if the deadline for applying for dual citizenship is extended, and it expired on 16 August this year, one of the reasons will be Istria. However, this has not been done, and it remains to be seen how the Italian Parliament will react.

It should also be pointed out that, according to the information we have, there have been some 16,000 applications in the Croatian part of Istria, of which perhaps 4,000 candidates may be eligible.

[SLOBODNA DALMACIJA] You, therefore, think that this phenomenon should not be an issue of great concern for Croatia?

[Kajin] The phenomenon should be analyzed, taking a sober approach, but it should not be politicized, and the people who applied should not suffer any harmful consequences. If they do, the phenomenon could become a serious issue in Croatia.

At this moment, Croatia should express its concern, but not in the way President Tudjman did so at his last press conference. That way, we will simply lose the trust of a neighboring country, and we should bear in mind that it is easy to acquire an enemy, while it is much more difficult to keep or confirm friendship.

New Serb Party Founder Discusses Krajina

AU0510140694 Rijeka NOVI LIST in Serbo-Croatian 24 Sep 94 pp 6,7

[Interview with Milorad Pupovac, president of Serbian Democratic Forum, by Stojan Obradovic Stina; place and date not given: "Pupovac: Finnish Model for the Status of 'Krajina' in Croatia"]

[FBIS Translated Text] [Obradovic] In announcing a new Serb party in Croatia—you are one of its founders—you emphasized that its two most important goals are to revive the political philosophy of national agreement between the Croats and the Serbs and of the partnership for democracy. What does that mean?

[Pupovac] The policy of national agreement is a policy for a stable country—for a country all of whose citizens and nations have agreed to participate in creating the state on the basis of the special rights of each and every individual and nation. The policy of partnership for democracy is a policy in which parties—in this case a party that represents a minority—try to form a coalition with other parties in order to lay the foundations to encourage the articulation of democratic values and, of course, to protect their own interests.

Both components are present in the tradition of Croat-Serb relations. Both components have been present in the development of national rights and countries in this region. Consequently, we are not discovering anything new. We are merely pointing out something that made it possible for the two nations to live in peace previously, to coordinate both our own rights and interest. That is our goal.

Tradition of Political Condominium

[Obradovic] What is the political tradition to which you refer?

[Pupovac] It is a tradition of political condominium between the Croatian majority and the Serb minority in which the Serbs had the status of a constituent nation. The philosophy of national agreement is at least 150 years old. It worked before Yugoslavia was established, while it existed, and it was supposed to function while it was disintegrating, too. Allow me to digress. During the 1990 elections, most Serbs in Croatia voted for communist reformists not because they were of communist persuasion themselves but because the party advocated continuity of the policy of national agreement. It is now beside the point that the party did not manage to preserve this philosophy. Probably because they decided that there was acute tension among the Croats and that it was better to concentrate on providing consensus and political reconciliation among the Croats, leaving the Serb question for a later stage. That is what I think happened. It is my rational and well-meant explanation, although, as I said, I cannot be certain. But let us get back to the problem. Before World War II, the tradition was expressed in the agreement on Banovina Hrvatska [Bannat Croatia] which was supposed to be developed to provide for the political autonomy of the "krajina" area. The Serbs remained a constituent nation even 45 years later, but the established federation suffered severe ideological reductions, which was more conducive to the interests of minorities than majorities, both the Croats and the Serbs alike, and to a great extent it froze rather than solved the national problems.

Neutral Status and Demilitarization

[Obradovic] What are the key political features of the Serbs' possible status as a constituent nation in Croatia?

[Pupovac] First, it means that decisions about the Serbs' political rights can be made only in cooperation with the Serbs—of course, only regarding basic questions of status and things that can change that status and do not jeopardize the entire political scene that must function in the state. That was the first feature. Second, the "krajina" area would have a neutral status, i.e. it would be demilitarized, and, third, I suppose that an intergovernmental agreement between Serbia and Croatia and the international community, in terms of the European Union and the United Nations, could produce a quite accurate and precise mechanism regarding the status of "krajina" and the status of the Serbs in Croatia in general, regarding how the status would be controlled in future so as to avoid changing that status at the expense of one side or the other. Those are the main features of the Croat-Serb agreement.

Like the Swedes in Finland

[Obradovic] What do you think would be the best model for regulating the status of the "krajina" in Croatia?

[Pupovac] It all began when international mediators suggested the model of the Italian region consisting of the two provinces Bozen and Bolzano, in which there is a German minority. However, that was obviously not enough and did not provide a good enough basis for the agreement between the Croats and the Serbs. I must point out that the two provinces represent one region, which is not the case with the "krajina." There are, of course, other situations in the world that are closer to what we have in Croatia. For example the status of the Swedes in Finland, where, on the one hand, they are a constituent nation, meaning that Finland is a kind of constituent condominium, while, on the other, the solution offers a high-degree of territorial trans-state autonomy or a kind of internal sovereignty of the Aland islands and a kind of international recognition. Considering the kind of problems we have here in Croatia, I think that model is perhaps closest to what we need. But that does not mean that we can apply it without any changes. We must understand that autonomy, federation, and all the mechanisms for creating complex state communities are instruments, not ready-made models. The Serbs are sensitive to the word autonomy, for they think it does not satisfy their rights. On the other hand, the Croats dislike the word federation or even regionalism, since they think it means the state is disintegrating before it is created. Serious mediators will have to take these collective viewpoints into account and consider the symbolical component as well, but with realistic demands from both sides.

Constitutional Law More of an Alibi

[Obradovic] You do think the Constitutional Law on minority rights is the proper basis for solving the Serbian problem in Croatia?

[Pupovac] The Constitutional Law was passed to provide an alibi before the international community and to enable the international community to recognize Croatia. It was never planned to be enforced, nor did anyone want to do so. Serb deputies were indeed elected to the Assembly, but it was more a political farce than anything serious. That is how things stand regarding the Constitutional Law and many leading politicians kept emphasizing that it cannot be enforced until areas under UN control, i.e. "krajina," are an integral part of Croatia.

[Obradovic] Have you tested potential coalition partners? Do you think the Croat side will be positive about your concept for settling Croat-Serb relations?

[Pupovac] Yes, I am certain of it. For, as you know, in the history of Croat-Serb relations and of Croatian sovereignty and the joint aspirations of the Croats and the Serbs, the Serbian party has in a way always been a second party—second regarding relevance, if you will, second regarding potential influence. It will be like that this time too, though I do not insist on it. Even if it is not, it will certainly be an important element in the development of democracy. Nobody can say in advance who those partners will be. I hope they will be of democratic orientation, above all, social orientation, etc. That is a matter of practical politics, and it is being realized in everyday life. Therefore, the partnership for this policy is created in a wide spectrum, from the HDZ [Croatian Democratic Community] to social-democracy.

[Obradovic] Have the relevant Croatian political parties—from the ruling HDZ to the strongest opposition party, the Croatian Social Liberal Party, even the SDP [Party of Democratic Changes], if you will—not rejected the tradition you are talking about; for today the state and national politics of the parties that expect to have some sort of political future differ significantly and are reduced in relation to your concept for solving the so-called Serb question in Croatia?

[Pupovac] Yes, it is true that at one point all the major political parties in Croatia rejected that tradition, but so did the parties representing the Serbs. That is why we are trying to revive this political tradition and we think we need all relevant political parties in Croatia to participate, i.e. both Croat and Serb. We can already see a series of encouraging changes on the Croatian political scene.

Gradual Compromise

[Obradovic] What changes did you have in mind?

[Pupovac] Take, for example, one of the leading Croatian negotiators on Croat-Serb relations in Croatia, Hrvoje Sarinic, and his latest activities and statements. Some opposition parties strongly objected to his words and thought they were unacceptable and against Croatia's interests. However, his statements make it clear that without the policy of Croat-Serb national agreement it will not be possible for the Croats and Serbs to establish stable sovereignty or to coordinate the two nations' national interests in areas where they will have to coexist, not next to each other but together. It is therefore becoming clear that the ruling party is gradually realizing that one must strive to coordinate national interests and some national rights.

[Obradovic] But your political platform, when you talk about the philosophy of national agreement, presupposes that the Serbs are given the status of constituent nation in Croatia. Given the HDZ's global and basic orientation, it is not very likely that Sarinic's statement presupposes or even hints at such solutions....

[Pupovac] When I give an example of changes in the ruling party or when I quote some of its members, that does not mean that they share my opinion, or that they think like the Serbs. Quite the contrary. But the thing is that negotiations produce negotiators, negotiators lay the groundwork for compromise and that is obvious. We can see that from the statements of the people who are taking part in those negotiations. I understand that Mr. Sarinic represents a very relevant and a very unyielding Croatian orientation, but it is also evident that we can expect to see gradual concessions being made in the negotiations—and that is why we have them—of course, not only on one side, but on both sides. Otherwise we cannot talk about a compromise. Neither Croat nor Serb negotiators can be forced to make one-sided compromises.

Starting Position

[Obradovic] Does that mean that your position about the Serbs being a constituent nation in Croatia is a starting negotiating position that would be subject to reduction, i.e. compromise?

[Pupovac] It is a starting position that is the basis for defining the possible status of the Serbs in Croatia. It is designed to bring us back to the above-mentioned tradition that would enable us to find a solution and help us find a way out of this situation. Croatia is currently divided on an ethnic basis and there are gaps that must be overcome by coordinating the national interests of the two communities. The constituent nation story provides the framework. How it will be realized is another matter that will be decided in negotiations. It will certainly not be realized as in 1940 or in 1941, but it will have to attain a new quality.

Inspired by Cvetkovic-Macek Agreement

[Obradovic] In any case, you represent the position that in order to solve the problem of Croat-Serb relations it is crucial to see the outcome of the crisis in Bosnia, i.e. an overall Croat-Serb agreement between Zagreb and Belgrade. Regarding that, you recently mentioned the Cvetkovic-Macek agreement as a possible basis for the agreement....

[Pupovac] Yes, I mentioned the Cvetkovic-Macek agreement because it is a historic agreement in Croat-Serb relations. The Croats and the Serbs attempted to coordinate their national rights by means of that agreement, but at the same time as state rights. Indeed, the timing was not right and it was broken by an invasion of European fascism, i.e. Nazism, but today the agreement can be a political inspiration for finding a solution to reconcile global Croat and Serb interests.

[Obradovic] But does having the Cvetkovic-Macek agreement as an inspiration mean division of Bosnia-Herzegovina and elimination of the Muslims'rights?

[Pupovac] When somebody mentions dividing Bosnia, it seems like something totally improper, while we should actually realize that the problem should be decided by the nations that live there. Let them live together if that is what they want, but they can find other arrangements if they do not want to coexist. Just stop fighting. With regard to the Muslims, there is no doubt that they have the right to existence just like every other nation and to express their interests in keeping with their abilities and rights. Consequently, I would not like to see the Croat-Serb agreement reached at the expense of the Muslim interests. Quite the contrary, I think that the international community can and must protect them in the event the Serbs and the Croats decide to act against them.

Feeble Civic Option in Bosnia-Herzegovina

[Obradovic] Regarding the situation in Bosnia-Herzegovina, one of your propositions is that Bosnia-Herzegovina cannot be a civic state because it does not have the necessary civic, social, and political preconditions because there is no developed civic tradition in its society. By this reasoning can Croatia and Serbia be civic states? Are their civic traditions significantly more deep-rooted?

[Pupovac] No, I do not claim either side has better preconditions. Regarding Bosnia-Herzegovina, however, I would like to warn against statements to the effect that Bosnia-Herzegovina would work best as a civic state. The debate on the issue is perhaps best illustrated by the behavior of the national party in Bosnia-Herzegovina. While it uses general political phrases and talks about an integrated civic state, its politics is actually exclusively national. If we are serious about solving the situation in Bosnia-Herzegovina and want to find an acceptable option, I think we must be realistic about it. The problems in Bosnia-Herzegovina cannot be solved by starting from empty formulations such as that former Yugoslavia was a country but it was not a society and was bound to collapse, while Bosnia was not a country but it was a society, so it can survive. Many advocates of civic Bosnia-Herzegovina, here and abroad, cannot or do not want to see the basic fact that Bosnia-Herzegovina is divided on an ethnic basis and that people who advocated civic values were a minority that could not have provided the basis for a society and a country without the support of someone who could ensure the enormous power and force not to freeze, as it were, liberated national energy and established national distance. However, if you want a more precise answer regarding the preconditions for a civic society in Bosnia-Herzegovina—on the territory of Bosnia-Herzegovina where the Serbs, Muslims, and Croats coexist, except for large urban areas—then the tradition of civic culture, civic political values, is very feeble, much feebler than in other areas in Croatia and Serbia. Consequently, it is very dangerous to say that you can have a civic society before you have a civic substratum, that you can have a civic constitution before you have people who will produce a civic constitution; because that leads to unrealistic political goals and introduces a situation that will not suit the majority of the people who live there.

Precivic Stumbling

[Obradovic] Do you think the problem (also) lies in the fact that current national policies in the region, striving to establish a monopoly, eliminated the civic option as a possible basis for solving the problem and imposed exclusively national ideologies that inevitably lead to conflict?

[Pupovac] Indeed, national projects and national integration processes, both among Croats and Serbs, actually reached a deadlock on a precivic concept. Civic values have already been established in many parts of Croatia and Serbia—take Dalmatia, Istria, Zagorje, Slavonia, but also Vojvodina, Sumadija, etc., with deep-rooted civic traditions—and these are now placed in question due to the fact that a part of Croatia, i.e. a part of the Serb national corpus, is being integrated, through the mediation of the state, into the Croat or Serb nation that does not have developed civic values. Those very members of the Serb or Croat national corpus are now emerging as an important integration factor and I think that it is the responsibility of those with developed civic values to act against the inability to understand that the state in this region cannot function if civic values are besmirched.

[Obradovic] Do you think you can drum up enough support for your initiative in "krajina" and that it is possible to constitute a political leadership there that would be willing to take the Croat- Serb national agreement as the starting point in negotiations with the Croat authorities?

[Pupovac] One of the reasons we have a conflict in Croatia is that the Serbs think their rights were misinterpreted and would not be granted. And if the Serbs can, at this point, say what their rights are and if we can see what they think their rights are, and if we can go back to the views they had 150 years ago in this region, it would definitely be something that can encourage them to adopt another kind of behavior. In spite of everything, I see no reason not to believe that people in Krajina can realize that there are political platforms among both the Serbs and the Croats that seek to find different solutions and overcome a situation that is bad not only for the Croats, but also for the Serbs.

Unspecific SNS Proposals

[Obradovic] Milan Djukic's SNS [Serbian National Party], the only Serb party in Croatia, has recently come up with a fairly radical but concrete idea for solving Croat-Serb relations in Croatia. How would you compare the proposal of Djukic's party and that of your future party?

[Pupovac] First, I must say that we do not need any radical ideas. Second, their proposal is definitely not concrete or to the point. Actually, apart from names and words, it does not contain any concrete information. Names appear to be radical, words incoherent. And we are dealing with problems that require persistent and serious work, perhaps without raising much dust at the very beginning. Croat-Serb relations are much burdened by all that has happened. We are still in limbo between war and peace, and we must find a way out of this situation, bring about a rapprochement through agreements with which we have historical experience. Those agreements are not radical at all and contain no elements of blackmail on either side—just the opposite of rumors we have been hearing lately—rather, they are a common ground of joint interests and, of course, of an international climate that exerts significant influence on them.

[Obradovic] Does that mean you think Djukic's party has made no contribution to the effective articulation of Serb interests in Croatia?

[Pupovac] They know what they were doing and with what goal.

We Must Work on Multinationality

[Obradovic] Do you fear the same could happen to your party as well? How much and what kind of support do you expect?

[Pupovac] I am not talking only about our party and I am not establishing this party for my own needs. Ultimately, I do not think any of us need that. I am establishing a party whose activities will be devoted to solving Croat-Serb relations and to democratization of them, as well as to defining Serb interests on the territory of Croatia. Regarding the Serbs living in urban areas, they should not repeat the mistakes of 1990 and 1991 when they did not see where the policies were leading, when they believed a traditional concept for solving Croat-Serb relations—that of the SDP, which it soon abandoned and forgot—could solve the entire problem. The Serbs in Croatia and the Serbs in urban areas must learn from the historical experience of the 19th and early 20th centuries, and see how the national rights of the Croat majority and the Serb minority on the territory of Croatia were coordinated. The Serbs will, therefore, in their own interest and in the interest of peace in this region, be best off if they focus on the fact that a civic society, a multinational society, cannot function before it is actually created. Some, indeed, have asked us why we did not create a multinational party. Simply because we cannot have a truly multinational party before we have a functional multinational society. The two nations must have a civilized and coordinated political will that will be articulated through existing parties, and only then proceed to create what we were talking about—a civil multinational society. The urban Serbs would be better off if they realized that multinationality cannot be created before it is present. [sentence as published] Multinationality is something one must work on, even in national parties.

[Box, p 7]

When Life Is at Work—Fear Is Gone

[Obradovic] Is it not possible to achieve opposite results on the same concept? If mutual relations are regulated by national parties, would that not result in the creation of Serb ghettos in area where they have autonomy, and the societal and political ghettoization of the Serbs in Croatia in general?

[Pupovac] Of course, that is also possible. But I am absolutely convinced that the maturation of the Croats' and Serbs' national identity and a compromise between their national rights will improve cooperation between them when it becomes clear who is whom; it will be easier to communicate once it becomes clear what belongs to whom than in a situation when the general opinion is that everything belongs to everyone, that everyone has the right to everything, when in fact it is not clear what the basis for this joint activity and coexistence is. And as far as potential ghettoization is concerned, we must be aware that the moment life is at work, the moment when there is something else besides fear, the moment when one is not governed only by ideology, the moment when we are not overwhelmed by national exhilaration, when people start functioning on the basis of their objective interests as individuals and as groups—only then will it be possible to overcome the fear of ghettoization.

Mesic: Democratic Community Turning 'Rightist'

AU0510123594 Zagreb GLOBUS in Serbo-Croatian 23 Sep 94 pp 9,10

[Interview with Stipe Mesic, leader of the Croatian Independent Democrats, by Davor Butkovic; place and date not given: "Playing Tennis With Minister Gojko Susak in Brioni Islands, Dr. Franjo Tudjman Got Heart Arrhythmia!"]

[FBIS Translated Excerpt] *After the meeting of the opposition leaders held on 19 September, at which it was decided that the opposition should resume its seats in the Assembly, we talked with the chairman of the Croatian Independent Democrats [HND], Stjepan Mesic. However, Mesic's assessments about the reasons for the latest staff changes in the Croatian state leadership, as well as about the consequences of the transformation of the Croatian radical nationalistic right wing, which is now, according to Mesic, concentrated mostly around the Croatian Democratic Community [HDZ], seem to us politically more important than his not quite believable justification for the opposition's comeback in the parliament.*

[Butkovic] What do you think President Tudjman wants to achieve by the recently announced changes in the government and other important state institutions, like the Office for National Security? What is the sense of those changes?

[Mesic] It is obvious that Tudjman has not yet succeeded in consolidating his party. Even now in the HDZ several opposing factions are fighting, which is natural, after all, in view of the real character of the HDZ. The stratification of the HDZ that began with our departure will soon continue. The political options now visible in the HDZ, are on diametrically opposite sides. Tudjman knows that, so by the announced changes in the state leadership he wants to slow down and ease that process. At the same time he wants to make the state mechanisms capable of functioning now, when it is absolutely clear how deep the breach is in the ruling party.

[Butkovic] In the public there has been an impression that President Tudjman, under pressure from the West, is suppressing the radical nationalist faction, while giving out the functions in the state authorities to techno-managers and liberals. Do you think it is about a strategic orientation of Tudjman's?

[Mesic] It is true only at first sight. It is clear that Tudjman, under international pressure, is appointing such politicians in the executive authorities, that is, the government, who are acceptable to the West by their image and views. On the other hand, he openly supports certain people and tendencies that can be categorized in the radical, extremely nationalist and extremely undemocratic right wing.

Let me mention the examples of only two parties that have been de facto taken over by the HDZ, or at least politically controlled. First, the HDZ is directly supporting the schismatic Croatian Democratic Peasant's Party [HDSS], which was founded just in order to weaken the very strong Croatian Peasants Party [HSS]. It is clear to everybody that the HDSS has nothing to do with the real traditions and policy of the HSS, and that it is a branch of the HDZ, standing close to the right wing of the HDZ.

The second, even more illustrative example is the case of the Croatian Party of Rights [HSP], led by Ante Djapic.

During the summer it has become clear that the HSP is no longer an opposition party, that it has come quite close to the authorities, and that its task is to attract the right, extremely nationally orientated part of the people, which the HDZ dares not to directly address at the moment, because of Croatia's international obligations.

[Butkovic] So in your opinion the HSP is now only a part of the ruling party.

[Mesic] We shall see how Djapic behaves in the parliament. But in view of what was happening during the summer, the HSP has really become a part of the HDZ, or at least it has definitely lost the status of opposition party.

[Butkovic] How do you explain current changes in the Croatian right: Branimir Glavas suddenly leaves the HDZ, his friend Vladimir Seks resumes duties in the Chamber of Representatives, the HSP turns away from the opposition and comes closer to the HDZ. What is actually happening?

[Mesic] It is obvious that the most radical Croatian right is clustering round the HDZ, while the chief of the HDZ wants to create the impression in the Croatian public, and particularly abroad, that he is ready to square accounts with the right, and that he holds the same attitude toward all the supporters of either rightist or leftist radical options, which simply is not true.

[Butkovic] How do you explain the departure of Glavas from the HDZ?

[Mesic] In terms of politics, Glavas has never been a particularly important man. However, at the time when he was politically more proficient and more inclined to democracy, the HDZ did not want to get rid of him because he was considered to be too powerful in Slavonia.

In the meantime Glavas lost Osijek, while his behavior went beyond all tolerable limits. The fact is that Glavas was making decisions on the fates of many people in his county, the fact is that he appointed directors, chairmen of managing boards, and all kinds of civil servants. Behavior such as his was no longer needed in the HDZ.

On the other hand, Glavas is not a man who knows how to think in a rational political way, but on the other hand, he has fantastic political instinct. Let us say that his instinct has suggested that he pull out from the party's leadership for the time being.

You see, now the right wing of the HDZ has a clear advantage in the parliament, there is also the HSP, being the HDZ's reserve party, or at least an opposition party close to the HDZ, and there are also the most radical HDZ's rightists, who are leaving the party's structures, but still have excellent relations with the members of the state and the party's leadership.

[Butkovic] Are you suggesting that the HDZ's right wing is creating a new political structure that could be activated in the case of a deeper breach in the HDZ?

[Mesic] I cannot explicitly say so, but this is one of the possibilities. [passage omitted]

[Butkovic] Do you think that Tudjman, even if he wanted to, can remove Gojko Susak, or diminish his influence in the state authorities and HDZ?

[Mesic] No, Tudjman cannot remove Susak now at all. Susak has become too powerful. There are several reasons for that. First, you remember yourself that at last year's HDZ convention Susak was cheered most. Even then a military solution was much talked about, so it was normal that many members of the HDZ saw in Defense Minister Susak the most important, or more precisely, the second most important man in the party. People love war rhetorics.

Second, in the HDZ there are many people who acquired not only their political positions, but also their assets by their loyalty to the ruling party. There are very many people who have obtained apartments, offices, firms, big money and various privileges using means that are on the very edge of legality.

The power of Susak and his faction makes it possible for those people to keep everything they have so far acquired. Only in conditions of legal insecurity and constant threat of war are they able to survive, keep their houses, apartments, limousines and shares. Such are the HDZ members and Susak's lobby.

[Butkovic] How would you describe the HDZ right now?

[Mesic] Today the HDZ is a combination of radical, nationalist rhetorics and bureaucratic mentality, whose only concern is how to preserve its material privileges. I am sure that such a democratic community cannot survive.

[Butkovic] Do you think that the HDZ will split?

[Mesic] In the next general elections it will split in the same way as did the Association of Communists in the first elections in 1990. That is entirely natural. Why, do you really think that the people who are in the government now, like [Prime Minister Nikola] Valentic and [Foreign Minister Mate] Granic, are appropriate to represent the HDZ? I am sure they are not, and the same refers to Franjo Greguric and many others. There is no democratic state in which they would be in the same party with Susak or Seks, or, for instance, with Tomislav Mercep.

[Butkovic] By the way, how do you comment on the latest statements by Mercep, brought out in all the dailies, that there are tens of thousands of volunteers ready to join up under his command?

[Mesic] I think that such statements ought to be dealt with by the authorized state services and the highest state leadership. What does it mean when Mercep, or anybody else, speaks about tens of thousands of people under his command? Who ensures logistic support for them? To whose command are they really submitted: that of the General Staff or somebody else's? These are questions that the Croatian state leadership ought to clearly answer.

Furthermore, the Croatian officials speak about a peaceful option, cooperation with the West, democracy, while none of them dares to dissociate from the people like Mercep, who actually says—provided that his statements have been accurately passed on—that in Croatia there are two armies. Which is absolutely unacceptable. [passage omitted]

[Mesic] But it is particularly important that the very top of the HDZ, and even President Tudjman himself, does not want to square accounts with such tendencies and their advocators. In order for HDZ to survive as a movement, particularly as a movement of the center, it needs a strong right as well.

[Butkovic] One of the major objections to Tudjman on the part of Manolic and yourself, as well on the part of Budisa and all other opposition leaders, is his alleged unwillingness to implement the Washington agreement. It seems, however, that after the pope's visit and the Zagreb agreement between the Croats and Muslims, Zagreb shows most serious intentions to finally implement the Washington agreement, and establish a firm alliance with the Bosniak leadership. Is there anything else that you reproach Tudjman for, regarding the Croatian policy on Bosnia-Herzegovina?

[Mesic] I still fear that President Tudjman only verbally supports the Washington agreement, which is unfortunately evidenced by his recent appointment of the new leadership of the HDZ for Bosnia-Herzegovina. In the leaderships of both the HDZ for Bosnia-Herzegovina and the HDZ for Herceg-Bosnia there are still people, all of them, except for Kresimir Zubak, who were supporters of the war with Muslims. How can those same people cooperate now with Muslims?

Besides, what is happening in and about Herceg-Bosnia is already below the level of good taste. For instance, the Croatian defense minister speaks about spilled milk when describing the tragic Croatian-Muslim war. I think it is utterly distasteful to talk about shed blood in terms of spilled milk.

However, more significant than anything is that President Tudjman has not changed his basic political concept. You see, the SFRY [Socialist Federal Republic of Yugoslavia] disintegrated when Slobodan Milosevic abolished its three constituent parts: Vojvodina, Kosovo and Montenegro, while proclaiming the constitutionality of their peoples.

Factually, this meant that the republics cannot secede from the SFRY, but certain peoples can. For that reason Milosevic was saying that Slovenes, Croats or Macedonians may leave Yugoslavia, but he never accepted the departure of the republic of Croatia or the republic of Bosnia-Herzegovina.

Tudjman used the same concept in Bosnia, maintaining that Bosnia cannot survive, just as Yugoslavia could not, and that the Bosnian peoples are constituent, which means after all that they have a right to their own states, which again makes the survival of Bosnia- Herzegovina impossible.

The current proposal for Bosnia-Herzegovina also does not make possible, or at least does not ensure its survival. If the Bosnian Serbs are allowed to form a confederation with the FRY, and if in such circumstances Croatia and the Federation of Bosnia-Herzegovina form a confederation, that can bring about only two end-solutions.

In the first, the occupied regions of Croatia will be added to greater Serbia, and secondly, Yugoslavia would be restored. Both solutions are catastrophic, of course.

[Butkovic] So you are against any confederation between Croatia and the Federation of Bosnia-Herzegovina.

[Mesic] I am against any such confederation as long as the Serbs are given the possibility to form a confederation with the FRY. One should discuss the Croatian-Bosnian confederation only when the last soldier of the occupying Serbian army leaves the territory of Bosnia-Herzegovina.

We have to support the survival of integral Bosnia-Herzegovina, because the Croatian borders may also depend on the borders of Bosnia-Herzegovina. [passage omitted]

[Butkovic] How many parliamentary deputies did you have when you formed the HND?

[Mesic] We were given firm promises by 16 deputies. Some of them had to give up later on, since they were put under pressure by many sides, and particularly by the president of the republic. If all the 16 deputies had joined us, the HDZ could not have maintained a majority in the parliament. Now we would have had an entirely different power structure, and most probably already announced elections. Nevertheless, I am still sure that the HDZ will not be able to retain all its current deputies, and that President Tudjman will soon have to announce early elections.

Vidosevic Discusses Economic Issues

94BA0414A Zagreb VJESNIK in Serbo-Croatian 15 Sep 94 p 10

[Interview with Minister of the Economy Nadan Vidosevic by Zeljko Buksa; place and date not given: "The Government Will Not Permit an Uncontrolled Wave of Firings"]

[FBIS Translated Text] *Prime Minister Valentic recently announced that in the fall, numerous illiquid enterprises will close their doors. A few days ago the government also started a war against polluters, especially those on the Adriatic who are hurting Croatian tourism, and thus the days of the Bakar Coking Plant are already numbered. We talked about that, but also about the dispute with Slovenia over the nuclear power plant, the allocation of various credits, and criticisms of privatization with Minister of the Economy Nadan Vidosevic.*

[Buksa] What other polluters does the government intend to close, and does the same fate also await those that are doing well?

[Vidosevic] The closure of the coking plant is primarily a political precedent through which we wish to demonstrate that Croatia wants to participate in European cultural trends, such as environmental protection, and to create the prerequisites for the development of one of the most essential Croatian industries, namely tourism. We were in a dilemma over how to do that quickly. Some relatively favorable offers came, which amounted to increasing the coking plant's capacity and extending its operation. The question, however, is what sort of climate there was in favor of closing the coking plant for about 10 years. That is why we took a courageous step. No matter how expensive it is, it will probably cost us the least in this sort of situation, since in conditions of greater development and a higher cost of labor, closing the coking plant would have been even more costly.

Because of the commitment to developing tourism and developing enterprises with 100-200 employees, we announced that we would close all the polluters one after another. We cannot do that overnight, however, since we are not strong enough economically for that, and instead we will do it when the ecological and economic reasons coincide. It is a fortunate circumstance that many of those enterprises are operating at a loss, and thus we are justified in asking whether to invest in rehabilitating them or to close them, with an appropriate social welfare program, and take another path.

Priority to Polycentric Development

[Buksa] Is there a list of priorities, and who is at the top? What will happen to the employees and the facilities of those factories, and how can money be obtained to close them?

[Vidosevic] All of the heavy industry on the Adriatic is polluting, at least visually, since often for objective reasons, it is not enough to invest in environmental protection. That is why it is hard to say who is the biggest polluter. Furthermore, we intend to close the polluters on the Croatian mainland as well.

Calculations show that it is cheapest to pay wages to employees in those enterprises, even if they are not working. That is not in our interest, however. We must not allow everything in the tourist areas to be based on tourism alone. This war has also shown what happens when, for whatever reason, tourism does not yield the expected results. That is why we have to think about the polycentric development of large urban industrial centers. Thus, for example, Split cannot develop only in its present area, but also has to make a jump toward Sinj, Imotski, Vrgorac, Vrlika, Drnis, and other neighboring locations, and open small, environmentally acceptable shops in them, which are very numerous in the West, and which will provide a significant framework for Croatian economic welfare.

[Buksa] Did the government decide on closing the coking plant, as it seems to the public, "overnight," or is it the beginning of the implementation of an agreed-upon strategy?

[Vidosevic] We analyzed the larger enterprises for a long time, and realized that in our situation we have to choose our own path, since we do not have suitable foreign experiences to go by. Germany, for example, invested billions of marks, and did not find the right, absolutely acceptable solutions. That is why we decided on a very flexible system. We thus chose a unique solution for the shipbuilding industry. We pulled together a team of experts and established a new enterprise as a management company that would carry out restructuring, including privatization in the shipbuilding industry. We will now attempt to apply similar solutions to some other industries as well. That all shows that the closure of the coking plant is also only part of a carefully planned process.

[Buksa] Will Dalmacijacement, of which you are a former director, also be among the polluters threatened with closure?

[Vidosevic] Unless it radically improves its environmental situation in the next few years, by reducing emissions of cement dust, which is the lesser problem, and improves its appearance so that it is no longer a visual polluter, the same fate awaits it, even though it is a promising enterprise in view of the future consumption of cement in Croatia and Bosnia-Herzegovina. If it does not meet the minimum environmental standards, it does not have a chance.

Agreement With the "Electricity Gulpers?"

[Buksa] How will the dispute between TEF [expansion not given] and Dalmacija iz Dugog Rata with the HEP [Croatian Electrical Industry] end, after their electricity was turned off until 1 October because of the deteriorated hydrological situation, and in accordance with a previously concluded contract?

[Vidosevic] That is a big problem that also partly affects strategic decisions. We will have to find a solution that will be acceptable in the short term for those two factories, because we do not want to cause social unrest. In this case HEP will probably also have to bear part of the burden. We will try to find the best solution to the current dispute this week at a meeting of representatives of those two factories, HEP, and our ministry, under the auspices of Prime Minister Valentic.

In the long term, the issue is whether there will be reasons for those two factories, which as big exporters were previously very interesting to Croatia, to survive in a situation in which the question is whether they will be able to obtain the necessary large amounts of electricity at prices acceptable to them. We do not, however, intend to form any special enterprises for restructuring TEF and Dalmacija iz Dugog Rata, and instead their very capable managements will handle that, with our support.

[Buksa] Dalmatia has been upset again recently by speculations about what kind of electric power plant will be built in that part of Croatia. In your opinion, what is the best solution?

[Vidosevic] While I was still the Split-Dalmatian mayor, I was sharply opposed to the possible construction of a nuclear power plant or even more harmful thermoelectric power plants in Dalmatia, and I have not changed that opinion in the meantime. We do not intend to build a nuclear power plant in Dalmatia, much less a coal-operated thermoelectric power plant. There are certain other solutions, to which we could possibly link restructuring, environmental rehabilitation, and increasing Dalmatia's electric energy potential, for which we already have a conceptual plan.

[Buksa] Will there also be changes in your ministry as part of the upcoming reorganization of the government?

[Vidosevic] I do not expect fundamental changes. We will only close the shipbuilding section, which will become a department in the industry section. We will transfer other matters to Croatian Shipbuilding, so that some industrial sectors do not become particularly singled out in relation to others. This ministry is a big one, but even as such it has to function efficiently.

"The Divisions in the HDZ Make Me Angry"

[Buksa] A lot of the conflicts within the HDZ [Croatian Democratic Community] seem to have bypassed you, but don't some people classify you as one of the "technomanagers"?

[Vidosevic] I was the director of a large enterprise, I am among those people whose ambitions lie in management, and I hope that I will also do that when this political outing of mine is over. As far as the divisions within the

HDZ are concerned, it really makes me angry, because I considered national reconciliation the HDZ's greatest value, because of family reasons and my sincere belief. The fact that Croat did not shoot at Croat in this war for the first time, and the fact that due to that absolute homogeneity of the Croatian people we defeated an immeasurably stronger enemy, indicate the path we should follow until our final goal. That is an economically stable, completely free, and democratic state. That is why I do not want to align myself with either side.

[Buksa] Do you expect a hot autumn in the Croatian economy, with a wave of bankruptcies and firings? Where will things be most critical?

[Vidosevic] I really do expect a fairly hot autumn and winter. The government, however, will not permit an uncontrolled wave of bankruptcies and dismissals. We are now intensively seeking a model for how to respond with social welfare measures, which we will finance out of the budget, in a situation in which an enterprise can no longer survive. We will try to avoid the liquidation of such enterprises, and save at least the parts of them that can survive, and try to privatize them as soon as possible. The very important issue of the sale of enterprises below their assessed value will also arise here; that is one of the positions in our arrangement with the IMF.

Using the IMF Money Rationally

[Buksa] How will the money that we are expecting from the IMF and other foreign financial institutions be used?

[Vidosevic] I would rather not go into the allocation of the money, but it will certainly not be cheap money. If the government allowed itself to pretend that it is cheap money that can be spent lightly—which it will certainly not do—then we will put ourselves in the same situation as the former Yugoslavia. That is why we have to be sensible and rational in spending that money. The state can act as the investor of that money only for infrastructural projects (because it is responsible for providing water, electricity, telephone services, and roads), and help the private sector through fiscal policy and partly through more favorable financing. It should not be forgotten that a significant part of that money is going directly for the country's reconstruction.

[Box, p 10]

Problem With the Nuclear Power Plant Close to Solution?

[Buksa] Will Croatia give in to the increasingly more frequent Slovene demands that 70 percent of the Krsko nuclear power plant should belong to them?

[Vidosevic] We think that the legal situation is completely clear, since Slovenia and Croatia invested equally and thus became joint owners of the nuclear power plant with a 50:50 ratio. Although Slovenia gave up on building a second nuclear power plant in Croatia, we have not yet taken a single unilateral step, and we have also fulfilled our obligations to the Krsko nuclear power plant, as Prime Ministers Valentic and Drnovsek agreed, so I think that it is only a question of time until that problem is solved.

Prime Minister Valentic invested a great deal of effort in finally finding a solution to all the unresolved Slovene-Croatian issues, since as neighbors we have many interests in common. With good will from the Slovene side, all the problems will be solved, including those in connection with the nuclear power plant.

"No Cardinal Errors in Privatization"

[Buksa] How do you explain the allegations of irregularities in the privatization of the Croatian economy? For example, the latest estimates indicate that Geofizika was sold for a price six times lower than the one subsequently estimated.

[Vidosevic] I do not have anything to add regarding Geofizika in addition to what has already been said by Mr. Ivan Penic, president of the Croatian Privatization Fund. In my opinion, the polemics over the privatization of large enterprises have been exaggerated. I am not claiming that there have not been any irregularities, but we have not made a cardinal mistake anywhere. Some people wanted us to distribute vouchers, but that did not turn out to be the best solution in the Czech Republic, nor did Germany's sale of an enterprise for one mark. That is why it is important for us to be consistent in our combined model, and if some mistakes have been made, they are not relevant to the model itself, because even a bad law is better than one that is constantly changing. It is difficult to divide up anyone's property absolutely correctly. Furthermore, because of possible mistakes there is also the possibility of an audit. A bigger problem is the overvaluation of some enterprises, and so in the future we will have to make more use of a dynamic method of assessment for many unprivatized enterprises. That may mean a lower, zero, and negative value for enterprises.

Human Rights Committee Head Views Situation

AU0410153094 Rijeka NOVI LIST in Serbo-Croatian 17 Sep 94 pp 10,11

[Interview with Ljubomir Antic, HSLS member and president of the Parliamentary Committee for Human Rights, by Sanja Modric; place and date not given: "Human Rights Violations Against a Statistically Small Number of People"]

[FBIS Translated Text] [Modric] You emphasize that human rights are a popular issue and that, nowadays, every self-respecting person talks about human rights. What do you mean by this? Are you saying that the human rights issue is a hit in Croatia?

[Antic] No, no. Belittling human rights efforts is the last thing I would do. They are the foundations of modern civilization and people keep calling for higher standards.... When a new member is admitted to the Council of Europe, it accepts all the basic documents of the alliance, but first of all it accepts just one of them—the European Human Rights Convention. That is what I had in mind.

[Modric] However, you also said that, in Croatia, human rights were "instrumentalized for political purposes." Would you explain that as well?

[Antic] You see, if something is extremely important, then a person who gives that issue a special meaning becomes popular. Whoever belittles the issue, creates a bad image for themselves. Consequently, if you want to defame someone, you say the particular person does not respect fundamental human rights. That is also the case in Croatia. Regardless of whether things change here or not, there are different comments from abroad. If Croatian politics concurs with the interests of important factors, then it gets a better rating, and if it does not, the assessment of the human rights situation is not so favorable either.

[Modric] Do you really think this is how they operate?

[Antic] Absolutely. Croatia's distance from the European Council does not depend on how much it protects human rights, but on the extent to which its politics comply with the politics represented by the members of the European Council.

Same Objections—Different Intensity

[Modric] It seems to me that we are hearing the same objections from abroad.

[Antic] Well, yes. But some questions take precedence at some times and are suppressed at others. That is what I wanted to say. Those objections are reasonable, but they are not always of the same intensity.

[Modric] Can you give us an example?

[Antic] Well, let me see.... I would really have to think hard to come up with some examples. A critical moment was when Croatia almost lost the special guest status at the Council of Europe. At that very moment, the human rights situation in Croatia was no worse than in the previous three months; the only problem was Croatian policy on Bosnia-Herzegovina. Similarly, if we soon become a full member of the Council of Europe, that does not mean that the human rights situation in Croatia will have improved significantly.

[Modric] Some organizations in Croatia deal with or want to deal with protecting human rights. Does the Parliamentary Committee for Human Rights cooperate with those organizations?

[Antic] It is important that the public in Croatia present their views on human rights through numerous nongovernmental organizations. The names of many nongovernmental organizations do not mention human rights, but they are involved in human rights, so it is difficult to make an accurate list. I did try to do so, but it was very hard.

[Modric] But we know that some 10 of them deal with human rights.

[Antic] Yes, and the Committee is willing to cooperate with all of them. We have never turned anyone down, nor did we refuse to talk to anyone....

[Modric] Do you meet with them? Have you ever invited any one of them? Or are there no contacts?

[Antic] Well, I have just received a brochure from The Women's House. I thanked them and sent them a reply.

[Modric] Yes, but that is just a protocol gesture.

[Antic] Well, I cannot say we have a special cooperation, but not because the Committee is unwilling to cooperate, but because some connections have simply not been established....

[Modric] Do you intend to establish them?

[Antic] Well, I see no reason not to.

Committee Is a Parliamentary Service

[Modric] But do members of the Committee, and you personally, feel the need to cooperate with them, since your work is practically the same?

[Antic] Well, I do not know.... I think those people who lead nongovernmental organizations have the some kind of political education and know what the Committee deals with. They are pressure groups. I cannot be a pressure group. This committee, as well as other 13 parliamentary committees, is a parliamentary service. Therefore, we see to it that the laws ratified by our parliament comply with the highest standards in the area of fundamental human rights. Indeed, it would be useful for us to hear any suggestions during the passing a law, even from those nongovernmental organizations, and they would surely be discussed at a session of our committee. I suppose there was no significant cooperation because all those nongovernmental organizations solve the problems of individual people, and if the state violates basic human rights, that is certainly not done by its legislative body, i.e. the parliament, but by particular executive bodies.

[Modric] So, citizens do not come to you with their problems?

[Antic] Many citizens come to see us. We get upto three complaints a day. However, ordinary people find it difficult to discern between executive and legislative authorities and do not know what falls within their jurisdiction. They think this committee is a place where they can win their rights, but this is the Committee for Human Rights and not a committee for "protecting" human rights. That is why this is not the right address.

We Do Not Have the Authority

[Modric] So this is your way of asking people not to come to you with individual problems?

[Antic] I would not put it quite like that. As I have already explained, we simply do not have the authority to deal with individual cases, we do not have the required administration, the instruments for ascertaining whether a particular citizen is right or wrong. You see, many people in Croatia do not have enough money, but then again none of them came to see president of the Parliamentary Committee for Finances to ask for money.

[Modric] You are simplifying....

[Antic] Yes, but I am doing so to make it clear what we are about. Just as the Committee for Finances cannot give money to individual citizens, we cannot grant rights to individuals. We do not turn citizens down, we do not just put their files on the shelf, but all we can do is send them to an address that we think is directly responsible for solving their problem. That is exactly what we do; sometimes we even get directly involved in trying to right a wrong. Furthermore, on several occasions, I convened sessions with those representatives of the state whose institutions we suspected of having violated human rights most often. We held two such high-level meetings to discuss the matter of military-owned apartments and one to discuss the matter of Croatian citizenship, and I must say that those whom we invited came. I think that those two meetings helped to suspend evictions, at least for the time being.

[Modric] But people are still being evicted. The assistant to the defense minister, Josip Juras, announced some 3,600 evictions would follow.

[Antic] Yes. I am thinking of convening another session to discuss that.

[Modric] To which legal projects did this committee react? As we know, some articles of certain laws have already been annulled by the Constitutional Court. Did your committee warn anyone about those unconstitutional solutions when those laws were being adopted?

[Antic] Citizens mostly complain of their individual circumstances: they hardly ever complain about laws to this committee. Citizens do not complain about laws, but about their implementation.

[Modric] However, we have already determined that the Committee does not work in compliance with individual cases. Rather, the Committee analyzes a bill and determines whether its provisions provide for human rights violations. Which particular laws did you analyze in this way?

[Antic] We did not analyze old laws, but new laws.

[Modric] So?

[Antic] Well, we discuss that at every session. We have also made objections and amendments to the Law on Amnesty, for example, and other laws. I would have to look it up to know for sure which those are.

[Modric] Are government regulations with legal force regarding human rights still applied?

[Antic] No, as far as I know they are not.

Without "Popular" Topics in the Parliament

[Modric] Why has the parliament never discussed human rights if this is a "popular" topic in Croatia?

[Antic] My committee initiated a discussion about six months ago, but it has not yet been included on the agenda. I can only reiterate the demand of the Committee.

[Modric] You accuse critics, i.e. people and organizations that are dissatisfied with the present level of human rights protection, of defaming the government?

[Antic] Not all of them. But I have the impression—mind you, everybody is entitled to that—that the harsher critics sometimes do not care about solving the problem, but rather tend to point out that the state is no good. I, on the other hand, try to solve every problem, create institutions and laws that will reduce the possibility of human rights violations to the minimum, and create a climate in which every citizen will feel protected. Topical problems are often caused by primitive views of people who are in a position to run the country. The question now is whether the atmosphere of hysteria will help weaken them or will it only make them stronger. Frustration is salutary for the rigid right. It has actually put them in their influential positions and it is keeping them there.

[Modric] Do you think those above-mentioned primitive and incompetent individuals will resign from their high positions of their own accord? Is it not more efficient to exert public pressure on them?

[Antic] I am a politician, which means I am a practical person. Statistically speaking, there is a very small percentage of people whose rights are violated. There is surely no more than a few percent of people whose fundamental human rights have been violated directly.

[Modric] So you would give a pass grade to the human rights situation after all?

[Antic] Why?

[Modric] You have just said that there are "very few" human rights violations.

[Antic] But a grade does not refer to quantity, but to quality. If there were a single black person living in this country, and if he did not have the same rights as white people, this country would get a fail grade. And please do not twist the meaning of this statement.

[Modric] I am asking you and quoting your answers. It is my right to point out any contradictions you make.

[Antic] I did quantify, but quality is another matter. However, let me tell you that people in Croatia feel that human rights violations are not their primary problem. They suffer from poverty, the occupation of a part of the country, impaired communications, etc. I must give credit to every one with a refined sensitivity for human rights and to those who are involved in their protection. However, it is disputable whether all of them are objective. That is why it is sometimes good to quantify.

[Modric] Speaking about quantification, you said that the data of the Helsinki Committee for Human Rights on human rights violations were mostly correct, but that the way the data are presented is too radical.

[Antic] I did not say "mostly."

[Modric] Let me quote. You said: "The data of the Helsinki Committee are often correct."

[Antic] Those data can always be interpreted differently.

I Am Against Raising Dust

[Modric] But what else, in your opinion, can one do to reduce those disturbing numbers you "often" do not deny, except make an appeal to the public?

[Antic] It is questionable whether raising the dust is the way to reach the goal. For that dust will harm 10 times more people who were forced to leave their homes.

[Modric] What makes you say refugees are against protecting human rights? Are they against human rights, are they reactionaries?

[Antic] They are not against them, but they keep thinking about their own problems.

[Modric] That is only natural. But, when the pope spoke in Zagreb, refugees reacted to his words like saints. They, too, want Croatia to be a rule of law state. That is my opinion, but I would like to know where you stand on that.

[Antic] I know you are provoking me.... How do you think Cicak would pass at the presidential elections?

[Modric] I do not care about that.

[Antic] Perhaps you are not interested, but someone else may be.

[Modric] So, tell me.

[Antic] I think we are living in a very paradoxical situation. The public harshly criticizes people with a refined sensitivity for human rights instead of respecting them.

[Modric] Perhaps that is the result of negative propaganda in the state media?

[Antic] Perhaps that is also the case. But, the matter at issue is a relation that was created and that is definitely not salutary to anyone. The way Cicak's committee presents the problem creates the impression that they want to defame the state, and the state, on the other hand, wants to defame them. Let me repeat that such relations are harmful for those whose rights must be protected. That is why I am against raising dust. I advocate a calm and peaceful approach, but also the solving of each and every particular case. At a Zagreb meeting of the Helsinki Federation for Human Rights, somebody proposed that a strategy for protecting human rights be made in Croatia. Zarko Puhovski replied: "We cannot do that, for we are involved in operative matters, there are so many cases that we cannot cope with them all, and there are no results." If I were in his shoes—and he is one of our best intellectuals—I would ask myself: Is our method correct? Or is it that the state is really such a demon that one can do one's best and still achieve nothing?

[Modric] What is your conclusion from all the evictions that were mentioned in the papers? Do most evictions present human rights violations or not?

[Antic] I do not have information about that, nor did the Committee delve into that. But there seem to have been cases of pure banditry, violence.... I condemn that. However, some cases are ambiguous, to say the least. Most of those cases refer to the famous decree of the Croatian Government changing the proprietor of military-owned apartments, while the tenants and former proprietors continued to behave as if nothing happened. Many tenants did not hear about the decree, that is certain; some perhaps did know but hoped it would not be enforced and that circumstances would be conducive to the position of tenants.... In my opinion, when a situation occurs in which, due to a decree, a great number of citizens are put in a very difficult position—we must put our heads together and see whether we can change that.

[Modric] Has your committee initiated that?

[Antic] Yes. We will do that again if we keep receiving disturbing information. That is what we can do.

I Cannot Be an Observer

[Modric] Did you attend some of the evictions? Some parliamentary deputies did.

[Antic] I am embarrassed to go there. I advocate the separation of the legislative, executive, and judicial authorities. If I did not hold the post I do, I would perhaps go there, but as things stand, I think I would violate a basic principle.

[Modric] I thought you might have gone there because you were interested in what was going on.

[Antic] I can no longer be an observer anywhere. I realized that when I peeked into an Orthodox church during an important Orthodox Church holiday. The first news program reported on my presence that very evening.

[Modric] Is that wrong?

[Antic] No, not really, but I did not go there officially. I use to go to Orthodox churches quite often; I am not a bigot. But the report on the news was incorrect, because I merely happened to pass by and went into the church.

[Modric] You said that not a single parliamentary deputy deals with human rights. Why does your party, the HSLS [Croatian Social Liberal Party], not become involved in the issue, since protecting the individual and law-ordered state are basic postulates of liberalism?

[Antic] I simply do not know. Perhaps because they expect me to do everything. I know for sure that some people in the party are not satisfied—not with my work here, but with some things I said. However, my reply to them and all people like them is: You are free to leave if you do not like it.

[Modric] Your critics say you "dabble" in the human rights issue because you have five to six jobs, each of which demands a full-day's work. You are a deputy in the parliament, a member of the HSLS Upper Council, the president of the Committee for Human Rights, you teach Croatian migrations at the Department for Croatian Studies, and you are associate professor of post-World War I history at the Faculty of Philosophy in Zadar. You have also applied for the post of professor at the Zagreb Faculty of Philosophy.

[Antic] I will not be teaching at the Department of Croatian Studies this year, because the subject is no longer a part of the curriculum. I will try to be there a couple of days each month. As for my application in Zagreb... I do not know whether I will be accepted.

[Box, p 10]

D Plus

[Modric] While many people warn of blatant violations of human rights, your public appearances suggest you are quite satisfied with the human rights situation in Croatia. Is my impression correct?

[Antic] "Quite," you say. I thought you would ask me about that.

[Modric] You have to expect such questions.

[Antic] I gave the human rights situation in Croatia a D plus. What is the pass grade?

[Modric] D.

[Antic] Right. And to salve my conscience, I must say that I think the right grade would actually be closer to a C, because there is an upward trend. Some problems are slowly being solved, for example those regarding the certificates of citizenship or human rights violations that were a direct result of the war. Even two ethnic leaders, Mr. Pejnovic and Mr. Pupovac, stated recently that things are looking up. As we distance ourselves from the war, I think we will gradually start adhering to the highest human rights standards. You came to interview me just because of my assessment of the human rights situation, i.e. because of your interpretation of it.

[Modric] No, I still have plenty other questions to ask you.

[Antic] Let me tell you another thing. It is very hard to be a professional politician in Croatia and to deal with human rights. Not a single parliamentary deputy from any party "specializes" in human rights. If that were a simple issue, people would deal with it, for that would be a chance to get popular quickly.

[Modric] You can deal with it.

[Antic] I do it as the president of a parliamentary committee that is entrusted with this issue. It is in my interests to help Croatia become a modern state in which human rights will be respected. However, I always fear that my statements and assessments may end up being counterproductive.

[Modric] What do you mean "counterproductive"?

[Antic] Well, in my opinion, the shortest way may not always be the best way. When you have a case in which a powerful state violates the rights of a powerless individual, the easiest thing to do would be to raise your voice and condemn that state. However, considering the situation in Croatia, the people's state of mind, the endless frustrations, the fact that most people suffer some kind of loss due to the enemy that started the war, such a reaction may be counterproductive. It could only augment the frustration. It is, therefore, best to present the situation calmly and to try to solve every single case, without generalizing.

[Modric] Do you know how many families have been evicted so far?

[Antic] No, I do not.

[Modric] But if eviction affects thousands of people, which it does, that means that certain institutions keep violating human rights. Why should anyone be frustrated if those who violate human rights are named and stopped?

[Antic] First of all, you must know exactly what you are talking about. In order to say somebody is guilty, I must first determine the person's guilt. Under the old system, some terms had an a priori meaning, and under this system "eviction" is such a term. Eviction, in itself, is not necessarily a bad thing. People must abide by the law, and those who have the legal right to be in their apartments should stay there. But those who are there illegally must move out. Eviction is a part of a regular procedure. Nobody ever came to this committee complaining about the law. If somebody should complain, I would see to it that it were discussed at the next session.

[Box, p 11]

Careful With Assessments

[Modric] In your opinion, who endangers human rights in Croatia the most?

[Antic] Those who have the most power—the state.

[Modric] That is an axiom. But can you tell us precisely which segments of the state?

[Antic] In every country, the police and the army are the repressive elements, i.e. are potentially the most dangerous.

[Modric] My question is whether you can point out those components of the Croatian authorities that violate human rights most often.

[Antic] The Interior Ministry and Defense Ministry do it most often. At least judging by information available to the public. But all this should be checked. One should also check whether it was individuals or groups that blew up houses—and there is a great number of them—and whether it was done on the spur of the moment or whether it was planned. If it was planned, one should determine whether the plan was backed by an institution or whether some institutions turned a blind eye to it. At the risk of being labeled as an apologist, let me say that there are no systematic human rights violations in Croatia, but the state has not done enough to protect fundamental human rights. I believe the Croatian Army did not order people to blow up the houses of the Serbs. But the fact is that they were blown up and that there have not been many trials, or concrete investigations into those cases. You see, we are in a very unrewarding situation, being forced to apply the principles of countries whose circumstances are quite different. That is why one must be careful with assessments.

[Modric] Do you not think that relativization could encourage other potential criminals?

[Antic] I do not grant amnesty to anyone. The war cannot be an excuse for any crime. But let us not act immaturely again and think that circumstances have nothing to do with human behavior.

[Modric] Individual trauma can be a mitigating circumstance, but the state must punish those who break the law. It must make it clear that those who committed crimes will be punished. Do you agree?

[Antic] The state is saying that, but it is not doing anything about it.

New Secret Service Chief on Responsibilities

AU0510120494 Rijeka NOVI LIST in Serbo-Croatian 29 Sep 94 pp 6,7

[Interview with Krunoslav Olujic, new head of the Office for National Security, by Gordana Grbic; place and date not given: "If I Had Not Taken This Job, I Would Have Felt Like a Deserter"]

[FBIS Translated Text] [Grbic] Is it true you were "recruited" for a new, according to some, the most difficult or the most horrible function as head of the Office for National Security on the island of Brijuni, the most beautiful spot on earth?

[Olujic] You are the first journalists to whom I can say that the news is true. I would not, however, say I was recruited; I would rather say I acted in accordance with the decision of the Croatian president, our head of state, who thought I had the ability to perform that high and responsible function as the head of the Office for National Security. I respect that decision and will act accordingly. Consequently, I resigned from the post of attorney general of the Republic of Croatia and my resignation will take effect on 30 September 1994. I expect the Croatian president, by the time he gets my resignation, will have decided to appoint me to my new duty.

[Grbic] I meant recruited in inverted commas, for already when you were appointed attorney general you said you were willing to accept any duty that serves the interest of Croatia. Consequently, your taking this new job also serves the interest of Croatia?

[Olujic] With regard to that and the fact that I have a special perception of authority, which I emphasized on several occasions, even in the first big interview for NOVI LIST and GLOBUS this spring, let me say that authority for me is not the need and possibility of being in power nor the starting point for getting established in my position—I am immune to the virus of power and might in that sense—but primarily the need to serve. And that is why I am willing to accept any function, even this latest one, for I am prepared to serve and be of use to my people and my country. I would feel like a deserter if I did not take the job I was offered.

Stronger Instruments of Law-Ordered State

[Grbic] When you assumed office and your former function as attorney general, we made a thorough analysis of the situation in the attorney general's office and a series of cases you inherited. What is the situation in the Attorney General's Office now that you are leaving?

[Olujic] I cannot say I am very satisfied, although I could say I was, after spending nine months working there. I would rather hear the assessments of my closest associates, all those employed in the attorney general's office, and of the Croatian public. There have been some positive changes, primarily in the increased independence of the attorney general's office as a part of the judicial authorities, and on the other hand, we created solid foundations for passing a new Law on Attorney General's Office, since we prepared a solid, modern bill with democratic foundations in cooperation with the Ministry of Justice, which, if it is passed in the parliament, could—in the long run, over a period of as much as 20 years, I dare say—exert a very positive influence on the situation at the Attorney General's Office. I am particularly pleased that we put an end to a negative trend of loss of personnel and that we appointed more young people as deputy attorney generals and law clerks.

[Grbic] Considering the importance of the Attorney General's Office in protecting the law and the security of citizens, could you comment on the situation with regard to that?

[Olujic] As distinct from the period of 1991 and 1992, the end of 1994 is definitely much better and there are more positive changes in developing a law-ordered state and strengthening instruments of such a law-ordered state. The Attorney General's Office, as a segment of judicial authorities and one of the more important cog wheels in the functioning of the law-ordered state, does everything necessary to perform its duties, i.e. the institution of criminal proceedings in the Republic of Croatia against all lawbreakers, whenever there is enough evidence. The Attorney General's Office closely cooperates with other departments in fulfilling its basic function. For example, the Ministry of the Interior, Internal Revenue System, Payment Transactions Service. The Croatian Privatization Fund plays a very important role in helping us find illegal procedures in transformation. The Attorney General's Office insists and will keep insisting on the law-ordered state and its instruments, but the establishment of a law-ordered state and the rule of law does not depend only on the Attorney General's Office.

Suspended Proceedings Against Journalists

[Grbic] In the nine months you fronted the Attorney General's Office there were no scandals, you did not go after journalists or party leaders, and we could say it was a rather calm period. Is it true that you have left many of the cases you inherited to your successor?

[Olujic] I could not agree with that. We solved most of those cases you refer to, from Paraga to Pupovac. In keeping with my inaugural address in the parliament, when I promised to give my undivided attention to the job and do it to the best of my abilities, we suspended or solved most of those cases that were of interest to the Croatian public, especially those proceedings initiated by my predecessors against many journalists. However, the public was not informed about that—so you are perhaps partly to blame—because the Attorney General's Office did not make any special announcements. A small number of those cases remained unsolved, and you must admit that nine months is a relatively short period to solve all cases of public interest, not enough to solve them all, not because I would not want to solve them but because there were no legal or procedural requirements to close those cases. And that is the only reason some of those cases have still not been solved.

[Grbic] The public was informed about the Paraga case, but a number of cases, from the Dalmatian Action to the famous Pakracka Poljana, have not been solved.

[Olujic] With regard to the Dalmatian Action, you must be aware that—since the corresponding military prosecutor's office issued an indictment and that proceedings in the first instance were initiated—as far as the Attorney General's Office is concerned, the case is solved and the military court has taken the heat, since the matter at issue is an act of terrorism. The Attorney General's Office, in cooperation with the military prosecutor's office, monitors the proceedings and will react if necessary in the course of the trial to which members of the Dalmatian Action were brought, not the entire Dalmatian Action as a parliamentary party. Regarding Pakracka Poljana, I cannot make any special comments about that case either, apart from what I have already said. The case is in the hands of Pretrial Investigation Center of the County Court in Zagreb; in keeping with what evidence we had, we reformulated some charges and we expect that the Zagreb County Court, in cooperation with the Ministry of the Interior, make the next move. When they do that, the Attorney General's Office will inform the public about concrete results of the investigation. The Attorney General's Office has done everything it was supposed to do about the case and if you have more questions about the case, you should go to the Zagreb County Court on Zrinjevac.

I Feel Responsible for the Work of DSV, in a Way

[Grbic] You were fortunate not to have been involved in any scandals, but you were involved with the DSV [State Tribunal]. Your list was then accepted, you were appointed a member of the DSV, but it seems you will not have the opportunity to participate in its activities.

[Olujic] I am very sorry about that, but, by force of law, I cease to be a member of the DSV when my resignation takes effect. I wanted to hold on to that function, I secretly hoped I would be attorney general at least until the end of next year, as that would give me enough time to achieve the goal I set for myself: the Law on the Attorney General's Office I mentioned, the election and constitution of the DSV (we did, indeed, elect its members and constituted the DSV, but have not convened a single session yet, though I expect that will soon be done). Thirdly, I am sorry to have to resign, for I did not have the time to carry out the process of renaming all court officials and attorney generals. The procedure is closely connected to my position in the DSV, for in a way I feel responsible for the work of the Tribunal because of what you mentioned in your question, because all candidates from the attorney general's list were appointed to the DSV. That is why I regret it has not started functioning yet. Furthermore, I will not be able to participate in fulfilling its constitutional and legal task.

[Grbic] It is nice to hear somebody feels responsible for their move, but could you comment on the announcement of constitutional charges with regard to the election of the DSV?

[Olujic] The Bar Association and its president have announced they would press constitutional charges, although it seems to me that the attorneys are exaggerating the significance of their proposal, as they hold that the Chamber of Counties was obliged to accept the proposal of the Bar Association, as one of the instances authorized to put up candidates for the DSV, take their candidate and propose him at the Chamber of Representatives. Since the Chamber of Counties did not do that, the Bar Association considers it a violation of the Law on State Tribunal and hence the announced indictment. My colleagues from the Croatian Bar Association seem to have misinterpreted the Law on State Tribunal as well as the Croatian Constitution, which explicitly regulates that candidates for president and members of the DSV are put up by the Chamber of Counties and are then referred to the Chamber of Representatives. The proposal of the Bar Association regarding one member of the DSV was not accepted by the Chamber of Counties as they accepted a candidate from another list, which is in accordance with both the law and the Constitution.

I Would Not Like To Be Taken as an Interim Solution

[Grbic] According to my information, you were the fourth attorney general and you will be the fourth head of the secret service. Olujic, Seks, Herceg, then Olujic; Perkovic, Manolic, Sarinic, and Olujic again. Four important appointments in the four years, is that not too often?

[Olujic] Perhaps more often than it should have been. Frequent changes of the head of the Attorney General's Office or the other service show the liveliness of the Croatian political scene, to which people come and go, but I do not want to have any forebodings (laughter) and I want to be taken as a lasting solution for the head of Office for National Security. Although, as I said in my inaugural address, I would not like to be taken as an interim solution—though it may seem like that—nor would I like to be taken as a temporary figure. I go where I think my professional and personal ability will enable me to do my best in performing my function. I will do everything in my power to lay solid foundations for the service, in accordance with the present situation in Croatia, its potentials and needs, within its legal framework.

[Grbic] I suppose you know who will be your successor at the head of the Attorney General's Office. Rumor has it the function will be given to Mr. Hranjski.

[Olujic] All things considered—for the decision is not final—for the first time a man from the Attorney General's Office will be appointed its head. My colleague Marin Hranjski, acting deputy attorney general, is an honest person, unswervingly loyal, whose moral standing and professional abilities are right for such an important function. I am particularly pleased that the head of the Attorney General's Office will be appointed from this very office, for my replacement will not be a cause of turmoil as during previous new changes of its head.

[Grbic] It would probably be naive of me to inquire about your future work, after all, this is a service whose activities are not known to the general public. In my experience, both in NOVI LIST and in GLAS ISTRE, you were always willing to give interviews. Is that going to change now?

[Olujic] Of course not, at least in so far as it is possible to discuss my job without breaking the official secrets act and internal rules of the service. All those engaged in state security are not often in the public eye, so regardless of my personal willingness to talk to the press, I will have to act in keeping with some unwritten rules of the service, its code of behavior. Anyway, take J. Edgar Hoover, for instance, though one cannot compare the two of us, who was the head of the CIA [as published] for more than 20 years and throughout his service did not make a single public appearance or give a single interview.

I Am Aware of the Confidence the Croatian President Has in Me

[Grbic] A Croatian weekly has already declared you to be the Croatian Hoover, which remains to be seen....

[Olujic] I prefer to be compared to Hoover, as that is a brand of vacuum cleaners for most people, than to some other names that make our blood run cold. I firmly believe I will never give cause for any such comparison.

[Grbic] But President Tudjman has enormous confidence in you, there is no denying that. What do you think you did to deserve it?

[Olujic] I can only guess. However, it is certain that the president monitored my work in Osijek, my work as deputy in the Chamber of Representatives and as vice president of the Committee for the Constitution, Standing Orders, and Political System, and particularly my work at the head of the Attorney General's Office. He got an idea about my professional abilities and personal qualities and decided to appoint me head of the Office for National Security. The Croatian president seems to trust me and since he appointed me head of the Office for National Security, I will do my best not to betray his trust—which I know has its limits—and try to protect the interest of the Republic of Croatia, the service itself and of my people.

[Box 1, p 6]

Protecting Legality of "La Kost"

[Grbic] You once promised you would make a demand that the rule of law be applied if, in "La Kost" case, newspapers are pronounced public place and journalists of GLAS ISTRE pronounced guilty. The case is closed, they were found guilty, but what about your promise?

[Olujic] There were some problems with getting all the files, so there was a standstill, but the decision was made to file a demand that the rule of law be applied, there is still time to state a legal remedy and perhaps—to let you into another secret (laughter)—the demand will be filed before I leave my job as attorney general. I think this has once more proved to the public that I keep the promises I gave in April and it was my pleasure to do that.

[Box 2, p 7]

I Will Return the Efficiency Apartment I Got From the Union

[Grbic] The union protects people as a rule regarding the problem of housing. In your case, however, the union is threatening to evict you. Could you tell us more about that?

[Olujic] Already as deputy in the parliament and vice-president of the Committee for the Constitution, Standing Orders, and Political System, the parliament let me use an efficiency apartment of 25 square meters. I stayed there even after I was appointed attorney general and only recently did I find out about the conflict over the apartment between the government and the union. To be quite frank, the only thing that made me suspect there was something fishy about the apartment were telephone bills addressed to the former VSSH [Union Council of Croatia], which lead me to suspect there was a controversy regarding the apartment. However, I did not know for sure and lived in the apartment. Only a couple of days ago I read in the papers that the government lost the case in court and that one of the unions, the successors of the former VSSH, wants the apartment back. I do not want to stand in the way of the ruling and I have already taken steps to find another place to live that I can use as long as I perform this function. The union will get the apartment without evicting me. I regret that it had to come to that, but a union representative presented the situation at the news conference as a choice bit of dirt in the midst of the teachers and professors strike. It would not be considered newsworthy if it was a deputy or some less important official in the apartment. There will be no eviction either, though that would be interesting for the press too. The efficiency apartment belongs to them and I will give it back.

Authorities Deny Crvenkovski, Jovanovic Meet

AU0510123394 Skopje MILS-NEWS in English 5 Oct 94

[FBIS Transcribed Text] The Macedonian Foreign Ministry denied any truth in the news on an alleged meeting between Crvenkovski [The Fomer Yugoslav Republic of Macedonia foreign minister] and Yugoslav Foreign Minister Jovanovic. Nevertheless, Macedonian Radio cites Radio Belgrade on an interview with Jovanovic, who commented on the news.

The rest of the Yugoslav media said nothing of the meeting. Meantime, the newspaper VECER reports on Yugoslav authorities tightening the border control with Macedonia.

Presidential Candidates View Greece, Minorities

AU0510140094 Skopje MILS-NEWS in English 5 Oct 94

[FBIS Transcribed Text]—In his speech in Bitola, the Alliance for Macedonia's presidential nominee Kiro Gligorov stated: "We must not allow anyone to decide for us, just as we must not allow to be chained to any country. Once and for all, Macedonia [The former Yugoslav Republic of Macedonia] belongs to the Macedonians as an independent state. There is only one member country of the European 12 which refuses to recognize us. Yet, sooner or later, even this country will have to explain to its people that they have a friend in Macedonia as a state and the Macedonians as a people. With our hands open, we wish to see the border between us and Greece to become the most open one in Europe. Here lives a nation which does not hate the Greek people. All this nation wants is an access to the Aegean Sea and have Greece freely pass through Macedonia. We and the Greeks are connected by a common religion and many common customs. These are two close nations without a reason to hate each other. Quite contrary, we have many interests in common, leading us to Europe together. I appeal to all of you to use common sense and cool heads to turn to the future and build it. And build it seriously, not promising unachievable things and lies, as life is very complex and difficult. Some used to promise to have the Albanians thrown out of Macedonia. We promise to continue living as friends with them, just like our ancestors did. We will respect each other. No citizen, regardless of their nationality and religion, will look across the border—they will all see Macedonia as their state and fatherland."

At the public meeting in Kicevo, VMRO-DPMNE [Internal Macedonian Revolutionary Organization—Democratic Party for Macedonian National Unity] presidential candidate Ljubisa Georgievski called on to all citizens in Macedonia to overthrow communism, as without democracy there are no individual rights. "I [words indistinct] you. Avoid any bad taste language, especially toward other nationalities. Be with us. Be for us, but be not against others to help us." He said VMRO is a genetic program for survival of the Macedonia people and DPMNE a political way out and Macedonia' road to Europe. He added: "We want a peace for at least three generations to be secured in this way: Macedonia to the Macedonians, but a Macedonia as a civilian state with guaranteed individual rights in which nationalities will be able to implement their rights in a much more efficient way than now with rights promised to them only on paper." As for loyalty by nationalities, he pointed to Vlachs as "100-percent loyal," Turks "who, he is convinced, will be loyal and already show signs of it," (?Romanies), who, he is also convinced, will be loyal and Macedonian patriots and Serbs who, according to his latest information, will agree to be Macedonian in the civilian meaning of the term. "This leaves only the PDP [Party for Democratic Prosperity] and the NDP [Peoples' Democratic Party] leaders, with their 17 percent, and 15 percent of them are already not with them, but with honest Albanian intellectuals, who are not included in the government and its everyday corruption," he concluded.

GDP Candidate Cited on Economic Situation

AU0510170594 Skopje MIC in English 5 Oct 94

[FBIS Transcribed Text] In Stip, the leader of the Democratic Party [DP] Petar Gosev criticized the current authorities, emphasizing that there are 250,000 unemployed people and 220,000 pensioners on the brink of existence in Macedonia [The Former Yugoslav Republic of Macedonia]. Gosev underlined that there are only 2,000 people connected with the corrupt authorities who became rich fast, as opposed to the 2 million impoverished citizens. Gosev promised that if the DP wins, his government would give privatization checks to take part in the state-owned capital to all citizens over 20 years of age, in the first 100 days of rule.

Privatization Agency Director Discusses Work

AU2909130394 Skopje NOVA MAKEDONIJA in Macedonian 17 Sep 94 p 17

[Interview with Privatization Agency Director Miroljub Sukarov by Violeta Cvetkovska; place and date not given: "There Is No Free of Charge Privatization"]

[FBIS Translated Excerpt] [passage omitted] [Cvetkovska] Mr. Sukarov, you, that is the Privatization Agency, have been constantly and especially recently asked to issue figures to indicate what has been achieved in the privatization of state companies, although that is not everything that privatization means to us. Do you have any figures and what are they?

Explosion in Privatization

[Sukarov] Privatization is being carried out with the dynamics that we predicted; it is even being carried out at a greater speed. We can say that what has been going on recently in the agency is an explosion. Not only are there concrete programs, but there are also a lot of companies that have started the process of transformation. We as an agency have a legal commitment to form departments for transformation with large companies. We have already formed 55 departments for the 100 large companies that have entered the first phase of transformation. In practice, this means that 55 percent of the total number of large state companies are intensively engaged in the privatization program. If we add the 25 great loss makers, whose restructuring is also a step to privatization, we can see the level of participation in the total state economy that has started the process of privatization.

[Cvetkovska] However, on the other hand, these figures point to both our expectations and our predicaments. You, as did most people, expected that the transformation would start in small companies first, but this does not seem to be the case. Is this true?

[Sukarov] It is true that this is contrary to expectations. The interest of the small, rather than the large, companies, is lagging behind and we must make efforts to urge it on. We are expecting a large number of small companies that do not have a great influence on the total economy, but we have the opposite. We have here an enormous number of large companies with a great influence on the economy in Macedonia [The Former Yugoslav Republic of Macedonia]. The effects of the transformation are greater than we expected. If we privatize 100 small companies with small state capital, it will have a tiny effect, but if five large companies with great state capital are privatized it will make a great contribution to the transformation of the state into private ownership. What we in the agency are afraid of is that, owing to the short period for transformation of small and medium companies (by December this year) we could get a strong wave of applications for privatization in October and November. Since they themselves are making the decision, and they are not associated with the agency, we do not know their number or the strength of the wave. All we know is that decisions are being made in a great number of small companies and that they are preparing to contact the agency. Then we shall have some famous names and I hope that we shall be able to deal with this wave.

[Cvetkovska] Can we talk figures, that is of finalized privatization in some companies?

[Sukarov] The agency's management will be issuing six reports on completed privatization at its next session, and by the end of the month we are expecting the expiry of the term for the definition of former owners, which will enable us to discuss the privatization of 10-12 privatizations. We have also sent programs to the World Bank for speeding up the process of privatization of small companies, asking for a simplification of the methodology for evaluation, and this will also produce some effects soon.

[Cvetkovska] At the beginning, you pointed out "bottlenecks" of privatization caused by the Inspectorate of the Department for Public Revenue working under the old laws and the assessment, or rather those who were carrying out assessments. Are these problems still present?

[Sukarov] In my opinion, the bottlenecks are slowly being eliminated. We must take into consideration that privatization with us is a mass process, that work is needed on the transformation of 1,600 companies, and that is not a simple or rapid task. According to our information, at this moment there are 80-90 assessments in progress, but this figure could be three or four times greater because small companies are making assessments in direct contact with people who are authorized to do this. For the time being, we have 130 people able to make assessments, and we are preparing to train an additional 50-60, but we are worried that this number will not be sufficient. Our doors also remain open to the world's six biggest companies that make assessments to come and help us if they find it in their economic interest, since our assessment procedure also meets international standards. As far as some gossip is concerned, for instance that the assessments are very expensive and that it pays to be part of this business, I would like to say that we did not invent any new business, but that it existed in the world before. I would only like to recommend to the companies to get as many offers as possible and to select the best and the fastest ones. According to information from the Department of Public Revenue, of 440 companies that have to subject themselves to inspection with already completed transformations, 280 inspections have been made, and there are 189 reports ready. The agency has given its approval for 90 companies, and in the next three months another 175 companies will be inspected.

"Clean" Accounts

[Cvetkovska] Have you heard of any abuses in the privatizations that started under the old law?

[Sukarov] There have not been any irregularities with the intention to abuse, at least not so far, by the Department for Public Revenue. There have been irregularities and mistakes in making assessments, but all these can be corrected. We have six procedures under review, but they fall outside such inspections. As for mistakes mostly related to specified commitments, the companies should complain within 30 days concerning additional money for shares according to Article 4 of the Law on Personal Revenue. They have the right to decide whether or not to pay. But there is no possibility to remove the shares from the workers. If they pay more, they get a larger number of shares; otherwise they will have the number of shares that they have paid for. That is the price of transformation of internal into normal shares. This is not an assessment of capital but of the percentage of the state capital that has been privatized or not. In some cases inspections have revealed a greater percentage of privatization than the companies themselves had assessed.

[Cvetkovska] You said that you were afraid that there might be a great wave of privatization in the coming period. Is the agency partly to blame for this?

[Sukarov] We might be partly guilty of this, but we are not the only ones. We are in favor of giving private rights to the people, as well as private ownership, and we want it to be totally clean, and we do not want anybody to come in waving legal papers and slowing down the privatization, that is, getting it stuck in court. We are more afraid of the small and medium companies missing the 10 December deadline and having the agency taking matters into its own hands and making decisions instead of them, because they are the ones who know the real situation in their own companies.

[Cvetkovska] Have you thought of making changes to the law as a result of criticism that the privatization is very slow in our country, that is to try and begin mass privatization following the patterns of the countries of the former socialist bloc?

[Sukarov] This is the time for great political marketing. There may be a political party that might proclaim a faster free privatization—come on, let us give it all away for nothing—and it could receive great support. But that is all phony. The experiences of other countries—Poland, the Czech Republic, Mongolia—show that efficiency in such companies is slightly increased. We are doing it another way—the commercialization of privatization. But there is one thing I must say: There is no single country without commercial privatization and if anybody claims that in such countries everything was given to the workers free of charge—that is a lie. Throughout the world there is the commercial sale of companies. They have been given the chance to transform themselves in the way that they want, and if they do not do anything the governments "threaten" them with "coupon privatization." If we do not have commercial privatization, where are we going to find the money for social programs? We are not Germany in which 330 billion German marks has been provided for these programs. We do not have the money to cover "losses" in privatization (possible firing) and the other needs of the state, such as development and so on. Moreover, apart from paid and coupon privatization, these other countries have also centralized privatization, a whole army of people who are paid for their services from the budget, that is from taxes paid by the citizens. Coupon privatization is also paid for. It is nothing but covering over people's eyes.

[Cvetkovska] Finally, I would like to hear your opinion on the remarks of the IMF and the World Bank, that privatization is being carried out at a slow pace in our country.

[Sukarov] I have never stated that I am in favor of rapid privatization. I have always said that the basic aim of our privatization is to increase the efficiency of the Macedonian economy. Our law requires some deadlines and we must respect these. The World Bank has accepted our dynamics, as well as the legal possibilities and the possibilities for faster process. Ultimately, we are engaged in privatization not because the World Bank wants it, but because we need it. We must take into account that two-thirds of the whole economy is being privatized and that is a mass process.

I am personally very satisfied with the achievements so far. There are many things that can be corrected, I am expecting some "blows," but also the effects of increasing the efficiency of the companies, because it has been announced that we can expect a new wave of investment in the period following privatization.

Peterle: Decision on Istrian Villages 'Mistake'

AU0610082994 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 5 Oct 94

[FBIS Translated Text] This evening, Foreign Minister Lojze Peterle, who has resigned, talked with his Croatian counterpart Mate Granic by telephone. Minister Peterle explained the background of the passing of the law on the formation of municipalities and their boundaries. According to him, the controversial provisions of the law were proposed by the extreme right. He assessed the passing of the law to be a mistake.

The government—to be chaired by Minister Peterle in the absence of Prime Minister Drnovsek—will discuss this issue tomorrow. The government is expected to propose to the State Chamber that it pass appropriate conclusions. However, the nature of them is not known.+

Ruling on Law Affecting Istrian Villages Sought

AU0610090094 Ljubljana Radio Slovenia Network in Slovene 0600 GMT 6 Oct 94

[FBIS Translated Text] In Television Slovenia's late night newscast yesterday [Foreign Minister] Lojze Peterle said that the State Chamber had formulated the controversial law it passed on 2 October incorrectly because it was passing it in haste.

He explained that the law incorrectly interprets the disputability of the territories south of the Dragonja River because the final decision as to whether they belong to Slovenia or Croatia should not be prejudiced.

The Foreign Ministry stated that the law was not passed in agreement with the government and that it will ask the relevant offices to verify the constitutionality of the law.

The Foreign Ministry also concluded that the law on the establishment of municipalities and their borders runs counter to the present orientation and guidelines for resolving outstanding issues with neighboring Croatia in the spirit of good neighborly relations.

Ministry Says Annexation 'at Odds' With Policy

LD0510175294 Ljubljana Radio Slovenia Network in Slovene 1700 GMT 5 Oct 94

[FBIS Translated Text] In its public statement released this afternoon, the Foreign Ministry states that the law on the formation of municipalities and the specification of municipal territory; i.e., the inclusion of three hamlets [as heard] to the south of the Dragonja River in the area of the Piran municipality, was not adopted in agreement with the government.

According to the Foreign Ministry, the law is at odds with the current platform and guidelines regarding the resolving of open issues in the spirit of good-neighborly relations with Croatia.

The Foreign Ministry will ask relevant institutions to review the constitutionality of the law in these disputed cases and suggests that the government should articulate its position on this matter.

Commission: No Reason for Croat 'Anxiety'

AU0610095294 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 5 Oct 94

[Statement by Zoran Thaler, chairman of the State Chamber Commission for International Relations, to Radio Slovenia, in Ljubljana on 5 October—recorded]

[FBIS Translated Text] First of all, I would like to emphasize that I see no reason for the anxiety that has emerged among the Croatian public and, as it seems, also in the Croatian parliament.

The law on the establishment of municipalities in Slovenia—of Piran municipality in this specific case—merely represents the continuity of a policy that Slovenia has pursued regarding this issue though the government and the parliament over the last three years. We know that this is territory registered in the Slovene land register—the Secovlje land register—and following this logic it is perfectly normal that it belongs within Piran municipality. The government, too, has on numerous occasions protested against the construction of a Croatian border crossing in Secovlje, which is also located in this territory. Therefore, this constitutes no new facts. The disputability of this territory is widely known. The diplomatic commission and expert commissions dealing with the issue are thoroughly familiar with it and so is the Croatian side—the head of their borders' commission and their political public.

The fact is that Slovenia advocates the position that the land register borders be the fundamental criterion here. We know that Croatia agrees with this approach regarding the region of Trdinov Vrh [Sveta Gera]. However, it would not agree with it in the part of the lower reaches of the Dragonja River. Therefore, it is absolutely necessary that if it agrees with it in the case of Trdinov Vrh it also agrees with it regarding the area of the Dragonja River.

Austria Urged To Investigate Letter Bombs

AU0510174894 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 5 Oct 94

[FBIS Translated Text] The Slovene Foreign Ministry has condemned the recent assassination attempts in the form of letter bombs directed at Slovene institutions in Austrian Carinthia as attempts by certain individuals to interrupt the good cooperation of the Slovene minority with the rest of Austria's residents.

The Foreign Ministry has also expressed a belief that the majority of Austrian citizens condemn such actions and has called on the Austrian authorities to do everything necessary to identify those responsible as quickly as possible.

The Austrian Interior Ministry has already reacted to these assassination attempts and has announced that it will immediately dispatch experts to the scenes of these incidents. Carinthian Governor Zernatto deemed letter bombs sent in Klagenfurt, Vorarlberg, and Tyrol as a scandal that in his opinion demonstrates the inefficiency of the incumbent minister and the authorities in Vienna.

Italian 'Persecution' of Slovene Minority Viewed

AU0610104494 Ljubljana Radio Slovenia Network in Slovene 1800 GMT 5 Oct 94

[FBIS Translated Excerpt] Zoran Thaler called a session of the State Chamber Commission for International Relations today. The members of the Commission discussed measures aimed against the Slovene financial institutions in Italy. They also passed a special declaration on an attempted letter bomb attack at the Wieser publishing house in Klagenfurt. They emphasized that this constitutes an attack on the Slovene ethnic community in Austria. Zvone Zorko has the details of the meeting:

[Begin Zorko recording] The session of the State Chamber Commission for International Relations was also attended by numerous representatives of the Slovene organizations in Italy, who again stressed that the latest Italian measures were a blatant attack on the economic foundations of the Slovene ethnic minority in Italy, a breach of economic links between Italy and Slovenia, and a threat to the cultural organizations of the Slovenes in Italy.

As is known, all this refers to the introduction of judicial administration of the Gorizia-based Agricultural Bank and the fact that the Italian Government cut 6 billion lira of financial aid for the Slovene cultural institutions from the draft budget for the coming year.

The debate was long and sharp. Some deputies, among them Foreign Minister Peterle, favored the softening of some extremely sharp stands taken, however, everybody agreed that these two measures greatly endangered the existence of the Slovene minority in Italy, its economic, cultural, and educational activity, and also represented Italy's blatant attempt to exert pressure on Slovenia though its minority.

Regarding these measures, the president of the Commission, Zoran Thaler, and Dimitrij Rupel reflected in horror on the storm that would ensue in Italy if Slovenia attempted to use the same methods against the Italian minority in Slovenia.

Finally, the Commission passed draft conclusions that will be supplemented and that state that, due to the above measures, the position of the Slovene minority in Italy has again deteriorated greatly. The conclusions call on the Slovene Government to reexamine relations with Italy and demand an end to the persecution of the Slovene minority.

Deputy Jelincic [Slovene National Party leader] also proposed that the problem be internationalized and that the Council of Europe be informed of Italy's treatment of the minority. [passage omitted] [end recording]

Slovene-Italian Economic Commission Meets

94BA0417B Trieste REPUBLIKA in Slovene 13 Sep 94 p 3

[Unattributed STA article: "On Slovenia's Inclusion in GATT"]

[FBIS Translated Text] Ljubljana—After the morning part of a session behind closed doors of the Slovene-Italian Commission on Economic Relations, State Secretary Vojka Ravbar of the Ministry of Economic Relations and Development told Radio Slovenia that they had talked about how the Italians could support Slovenia's efforts to join GATT [General Agreement on Tariffs and Trade], since "we know that we have already gathered a sufficient number of signatures to become a full member of GATT."

According to Ravbar, the Italians gave assurances that "they will support us in the future as well with respect to establishing closer relations with the European Union." According to Vojka Ravbar, during the morning session of the talks, they also agreed on how to accelerate the negotiations and consultations on preparing two important agreements between Slovenia and Italy, namely an agreement on protecting and promoting investments and an agreement on avoiding dual taxation, Ravbar said.

During the morning session, the Commission also discussed issues affecting transportation and unresolved issues in the areas of agriculture, science and technology, and so forth. "The main intention of the economic and financial commission is to touch upon all the issues that are important for economic cooperation between Slovenia and Italy," Vojka Ravbar said in conclusion.

Jansa Comments on Arms Trade Statement

AU0610110394 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 5 Oct 94

[FBIS Translated Text] When asked at a news conference, about which we already reported, what he thought of yesterday's government session, President of the Social Democrats Janez Jansa replied indirectly, namely, in an answer to a question about the possible main topics of the election campaign for the December local elections:

[Begin Jansa recording] One of these topics was raised by the government itself on the very same day the elections were called, at the extraordinary session of the government collegium and subsequently at the government session.

It is no coincidence that three hours after the calling of local elections, the government held an extraordinary session at which it examined matters that will probably never go beyond imputations throughout the 60 days of the campaign. [end recording]

Government Examines Types of Arms Trade

AU0610110194 Ljubljana Radio Slovenia Network in Slovene 1430 5 Oct 94

[FBIS Translated Text] We have received a statement for the public about yesterday's Slovene Government session:

As the statement says, the government members listened to the Defense Ministry and Ministry of Internal Affairs conclusions regarding the transit and sale of armament from 15 May 1990 to March 1994.

The government concludes that the greatest portion of arms trade, especially in the period during which Slovenia was gaining its independence, served the interests of the state of Slovenia. The government believes that a clear line must be drawn here between the arms trade that served the interests of the state of Slovenia and trade that did not and took place without the appropriate permission of the state offices.

It transpires from the Defense Ministry and Ministry of Internal Affairs reports that some arms trading cases give rise to the suspicion of the criminal act of illegal arms and ammunition trafficking as well as suspicion of personal gain by some individuals. Once sufficient evidence is collected, these cases will be investigated by the authorities.

The government particularly emphasizes here, the Information Bureau statement says, that it would be improper to use the conclusions of the previous investigation for internal political fights and random accusations. The government repeats its well-known position that even in the future it will not permit the arms trade to run through the territory of the Republic of Slovenia.

The government will forward the conclusions of the two reports, merged into a single report, to the state president and State Chamber chairman, the statement says.

Poll Examines Popularity of Parties, Media

AU0510131194

[FBIS Editorial Report] Ljubljana DELO in Slovene in its 1 October issue on page 4 carries a report by Slava Partljic, rounding up the results of an opinion poll carried out by DELO's public opinion research team, Stik, on 27 and 28 September in 59 municipalities. Reportedly, the sample of 1,787 pollees, randomly chosen in terms of sex, age, and education, matched the composition of the Slovene electorate.

The poll investigated several issues, the first of which was the institutions that the pollees trust the most. The majority—27.0 percent—replied that they do not trust any institution—21.9 percent trust President Milan Kucan, 13.4 percent trust Prime Minister Drnovsek, 10.0 percent trust the media, 6.1 percent trust the Catholic Church, 5.8 percent trust the State Chamber, 5.3 percent trust the government, 4.5 percent trust the judicial system. The bottom of the list featured political parties with 1.9 percent, while 3.9 percent of pollees could not give an answer.

The poll shows that the government coalition failed to meet the expectations of 64.9 percent of pollees and that only 6.7 percent were completely satisfied with its work, while 23.5 percent were partially satisfied. The pollees were most satisfied with the government's foreign policy (64.5 percent satisfied), followed by economic development (33.5 percent), and the transition from socialism to democracy ("a little less than 30 percent").

The poll also showed that 41.4 percent of pollees believe there should be early elections in Slovenia, while 44.7 oppose this idea and 13.9 are undecided.

When asked about which politician they support the most, the pollees gave the following answers:

President Milan Kucan came first with 25.1 percent, followed by Janez Drnovsek (18.1 percent), Social Democrat leader Janez Jansa (11.1 percent), Peoples' Party head Marjan Podobnik (6.2 percent), Christian Democrats head Lojze Peterle (5.4 percent), and the head of the National Party, Zmago Jelincic (4.0 percent). Of the pollees, 16.1 percent did not support a single politician and 8.8 percent did not know whom to chose.

Asked about the media that they trusted the most, pollees listed the following three media as the most trustworthy: Television Slovenia (47.0 percent), DELO (34.5 percent), and Radio Slovenia (26.3 percent). Of the press, MLADINA won 18.5 percent support, VECER 14.4 percent, DNEVNIK 12.1 percent, and SLOVENEC 5.4 percent. The daily REPUBLIKA came across as the least trusted of the media with 3.3 percent.

The pollees were also asked to take part in make-believe elections. Here, the author of the article compares the results obtained in the field with the results obtained in DELO's monthly telephone opinion poll to show any discrepancies that occur in the telephone method. Asked which party they would vote for if the elections were tomorrow, 21.6 percent of pollees replied that they would not vote at all, in comparison to 12.6 percent who had said so in the July telephone poll. The results of those who would vote, expressed in percentages, are as follows:

	27-28 Oct Poll	29 Jul Telephone Poll
Liberal Democracy of Slovenia	15.8	18.5
Slovene Christian Democrats	9.5	9.0
Slovene Peoples Party	7.5	6.5
Social Democratic Party of Slovenia	6.5	6.4
The Greens of Slovenia	4.8	1.6
United List of Social Democrats	4.8	5.9
Slovene National Party	4.7	1.7
Democratic Party	1.9	2.5

All other parties listed received less than 1 percent of votes. Sixteen percent of pollees did not know which party to chose, in comparison to 25.7 percent who had been undecided in the July telephone poll. Of the pollees, 2.2 percent would chose none of the parties listed, while this segment accounted for 9.3 percent in the July telephone poll.

Federal

Government Welcomes Suspension of Sanctions

LD0510204794 Belgrade TANJUG in English 2001 GMT 5 Oct 94

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct. 5 (TANJUG)—The Yugoslav Government Wednesday described as very positive the beginning of the implementation of United Nations Security Council Resolution 943.

A Yugoslav Government statement said the start of the implementation of the resolution, which suspends sanctions in air and ferry-boat traffic, culture and sports, was significant because it broke the unjust two-year blockade of Yugoslavia.

"This is a practical recognition of the Federal Republic of Yugoslavia, a confirmation of its policy of peace, and a breakthrough towards the full lifting of the sanctions," the statement said.

Resolution 943 was adopted on September 24.

The Yugoslav Government expects that all countries will duly and in full implement and respect Resolution 943.

The Yugoslav Government has instructed the respective ministries to intensify activities, adapt work programs and start the realization of tasks which pertain to areas covered by resolution 943, the statement said.

In agreement with this resolution, the Yugoslav Government has decided to ask Russia to secure permits from the U.N. sanctions committee for humanitarian imports of gas, oil, and other fuels for the coming winter season.

The Yugoslav Government also proposed that Russia ask for permission to export to Yugoslavia gasoline and diesel fuel for ambulances and other medical services.

The Yugoslav Government also decided directly to address the Security Council regarding the realization of a single import of raw materials for the manufacture of medicine, soap, detergent and fertilizer.

The Yugoslav Government said the Security Council instructions to the sanctions committee to step up issue of permits guaranteed that concrete requests would be resolved efficiently and quickly, the Yugoslav Government statement said.

Jovanovic Comments

AU0510161394 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 5 Oct 94

[Statement by Federal Foreign Minister Vladislav Jovanovic in New York on 5 October—recorded]

[FBIS Translated Text] The coming into effect of the UN Security Council resolution on easing of sanctions marks the indisputable success of our policy of peace and settlement of the Yugoslav crisis with political means. A decisive political and psychological turnabout in the developments concerning the settlement of the crisis in the former Republic of Bosnia-Herzegovina has taken place. The critical point in the negative treatment of our country hitherto has been overcome. This had particularly come to prominence with imposed sanctions and isolation.

The downward trend has started, and one should expect faster positive developments in the period ahead. The policy of maintaining sanctions can no longer be successfully defended nor explained and imposed on others as a correct method in settling the Yugoslav crisis.

The lifting of sanctions as a whole will come on the agenda, and this will be solved according to a faster rhythm, depending on what stand others take on the settlement of the crisis in Bosnia- Herzegovina and the Yugoslav crisis as a whole. The peace process that has been significantly strengthened in this way will be stimulated even more, but further lifting of sanctions must not be linked to the whole of the peace process, but only to the speedy and definite accomplishment of a political solution to the crisis in Bosnia-Herzegovina. This is both the spirit and letter of the Security Council Resolution 757, and this should be both the starting and finishing point of the international community and all the factors involved in the settlement of the Yugoslav crisis.

After this, we rightly expect the international community to accept Yugoslavia even more as an unavoidable, positive partner in the settlement of the crisis and establishment of the final and lasting peace, stability, and prosperity in our region.

Therefore, it is necessary to lift all sanctions as soon as possible, because this is the fastest and the most certain way to solve the crisis in Bosnia-Herzegovina and to create a more favorable atmosphere and optimal conditions for moving forward in solving other aspects of the Yugoslav crisis as a whole.

Ambassador Comments

LD0510165394 Belgrade TANJUG in English 1535 GMT 5 Oct 94

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct 5 (TANJUG)—The lifting of the first package of sanctions against Yugoslavia on Wednesday was received at the Yugoslav Foreign Ministry with satisfaction, but without euphoria.

"The beginning of the implementation of the United Nations Security Council Resolution 943 is a modest, but significant beginning of the lifting of the sanctions imposed on Yugoslavia for political reasons," Ambassador Branko Brankovic said. Brankovic is the head of the division for the United Nations at the Federal Foreign Ministry.

Brankovic stressed that the sanctions would not even have been introduced if the U.N. Charter had been honored.

"The introduction of the sanctions against Yugoslavia is an example as to how the ratio of forces in the world may at a certain point in time have a negative impact on the Charter's basic principles," he said.

"These principles are territorial integrity, independence, sovereignty and non-interference in the internal affairs of a country," said Brankovic.

The U.N. Security Council introduced sanctions against Yugoslavia for its alleged involvement in the war in the former Yugoslav Republic of Bosnia-Herzegovina although there were no Yugoslav troops there.

Brankovic said Resolution 943, suspending selected sanctions, was a "recognition to Yugoslavia's peaceful policy which can and should be a factor of stability in the Balkans and Europe."

The resolution lifts the ban on air traffic, the ferry-boat line Bar-Bari (Yugoslavia-Italy), and on cooperation in culture and sports. Brankovic stressed that the process of sanctions lifting should be stepped up.

"Sanctions encourage opponents of the peaceful option and stoke the war in Bosnia, which is not in the interest of peace and security not only in the Balkans, but in all of Europe," he said.

"There is no doubt that Yugoslavia will meet all its obligations in full, which, together with the earlier obligations stemming from resolutions 757 and 820, constitute a basis for the immediate lifting of all sanctions," Brankovic stressed.

Speaking on endeavors to impose new conditions on Yugoslavia in addition to the U.N. Security Council resolutions, Brankovic said Yugoslavia should prevent all such attempts because there were no such provisions in the resolutions. Brankovic said such attempts only enhanced political and other ambitions which escalated daily, maintaining the unacceptable presence of war and conflicts in the former Yugoslavia.

"In any event, we expect the Security Council to continue to make politically mature decisions aimed at the soonest possible end of the war in former Bosnia, primarily through the lifting of the sanctions which are the greatest obstacle to peace in Bosnia," Brankovic said.

Foreign Officials React

LD0610021094 Belgrade TANJUG in English 0117 GMT 6 Oct 94

["Pool" item]

[FBIS Transcribed Text] Belgrade, Oct. 5 (TANJUG)—Ranking Hungarian and Bulgarian officials welcomed Wednesday the easing of the international sanctions against neighboring Yugoslavia.

Krasimir Premyanov, member of the innermost leadership of the Bulgarian ruling Socialist Party, said in Sofia he welcomed the latest move by the United Nations Security Council in connection with Yugoslavia and hoped the sanctions would soon be lifted altogether.

The U.N. Security Council passed Resolution 943 on September 24 partially suspending the sanctions against the Yugoslav Federation of Serbia and Montenegro, imposed in May 1992 on allegations of involvement in civil war in Bosnia-Herzegovina.

Premyanov said the Bulgarian party was working for peace, understanding and goodneighborly cooperation in the Balkans, a commitment conducive to closer ties between the Bulgarian and Serbian nations, from cultural and traditional to economic.

He said he believed that relations between Bulgaria and Yugoslavia were of the utmost importance to the Balkans as a whole, and should be above day-to-day politics and problems.

Hungarian Foreign Minister Laszlo Kovacs said he had felt in his numerous bilateral contacts at U.N. Headquarters in New York that there was a general agreement that time had come to reintegrate Yugoslavia in the international community.

Changes in Belgrade's policy are a step in the direction of the total lifting of the sanctions and a gradual reincorporation of Yugoslavia in international fora, said Kovacs in an interview carried by the Budapest daily MAGYAR NEMZET on Wednesday.

Foreign Minister Meets With UNSC Officials

LD0510132094 Belgrade TANJUG in English 0923 GMT 5 Oct 94

[FBIS Transcribed Text] New York, Oct 5 (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic met with United Nations Security Council [UNSC] president, British Ambassador David Hannay, at the U.N. Headquarters Tuesday.

Jovanovic met also with the chief diplomats of Zimbabwe, the Czech Republic and Cuba.

Jovanovic said after the contacts that the crisis in the former Yugoslavia and the further lifting of the sanctions against the Yugoslav Federation of Serbia and Montenegro were in the focus of the talks. He said the ministers were unanimous in paying recognition to Yugoslavia's peaceful policy. Jovanovic said attention was drawn in the talks to the resistance of some forces to the total lifting of the sanctions against Yugoslavia.

Jovanovic, who is following the work of the U.N. General Assembly session, will on Wednesday, too, have a series of contacts. He is to meet with U.N. Secretary-General Butrus Butrus-Ghali on Thursday.

Sanctions Discussed

LD0610020494 Belgrade TANJUG in English 0113 GMT 6 Oct 94

["Pool" item]

[FBIS Transcribed Text] New York, Oct. 5 (TANJUG)—Yugoslav Foreign Minister Vladislav Jovanovic and United Nations officials on Wednesday discussed further lifting of the anti-Yugoslav sanctions.

Jovanovic met with president of the 49th session of the U.N. General Assembly Amara Essy of the Ivory Coast and sanctions committee chairman Ronaldo Moto Sardenberg of Brazil and with them discussed also Yugoslavia's full reintegration in the international community.

Jovanovic informed Essy and Sardenberg about Yugoslavia's position on the settlement of the crisis in the former Yugoslavia, for which they showed full understanding.

In the talk with Sardenberg, Jovanovic said the September 24 U.N. Security Council resolution on easing the sanctions required the sanctions committee to be more efficacious in granting humanitarian imports to Yugoslavia.

Sardenberg promised to make an effort for a consistent implementation of the resolution, but explained all decisions had to be taken unanimously, which meant that a single dissenter could block a decision.

Winding up his contacts at U.N. Headquarters, Jovanovic meets with U.N. Secretary-General Butrus Butrus-Ghali on Thursday morning.

Kontic Holds Talks With Russian Ambassador

LD0510185394 Belgrade TANJUG in English 1637 GMT 5 Oct 94

[FBIS Transcribed Text] Belgrade, Oct. 5 (TANJUG)—Yugoslav Prime Minister Radoje Kontic Wednesday received Russian Ambassador to Belgrade Gennadiy Shikin.

Kontic and Shikin agreed that the beginning of the implementation of the United Nations Security Council resolution on the suspension of certain sanctions against Yugoslavia was in fact the first step towards the lifting of the international blockade of Yugoslavia.

A government statement released after the meeting said that Kontic expressed thanks to the Russian Federation for its "constant and strong engagement on easing the sanctions of the international community towards Yugoslavia."

Kontic and Shikin discussed joint sports and cultural events which would enable Yugoslavia to appear abroad under its own flag and with its national anthem.

The statement said that Kontic and Shikin had agreed that activities should now concentrate on the lifting of economic sanctions.

The respective state organs will prepare agreements on economic and scientific-technical cooperation which will become effective as soon as the sanctions are lifted, the government statement said.

U.S. Refugee Aid Policy Called 'Discriminatory'

LD0510123794 Belgrade TANJUG in English 1211 GMT 5 Oct 94

["Pool" item by Dejan Lukic]

[FBIS Transcribed Text] Washington, Oct. 5 (TANJUG)—The United States Department of State has decided to send more humanitarian aid to the needy and refugees in the areas of former Yugoslavia. But, its aid has not been envisaged for those who found refuge in Yugoslavia (Serbia/Montenegro).

As explained on Tuesday [4 October] by State Department spokesman Mike McCurry, the aid amounts to an additional 28.5 million dollars from this fiscal year's fund for humanitarian aid, support of refugees, displaced persons and other victims of war in the former Yugoslavia. McCurry's explanation about the specific-purpose aid discloses the full image of discriminatory and almost racialist attitude in the U.S. policy towards the Serb people.

Serbia has been dropped from all categories that motivate the U.S. Government to come to the rescue of those suffering in Yugoslavia.

A total of 28.5 million dollars would be distributed thus: 20.5 million at the disposal of the United Nations High Commissioner for Refugees to support refugees in Bosnia (the lion's share to the Muslims), Croatia, Slovenia and the Former Yugoslav Republic of Macedonia. Eight million dollars would go to the International Committee of the Red Cross to assist programs in Bosnia and Croatia.

Under this distribution plan, it is clear that over half a million refugees in Yugoslavia virtually do not exist for the State Department. Under the State Department decision, refugees in Yugoslavia have not deserved to receive any aid from the country of high proclaimed democracy and human rights. The State Department's humanism, as is being shown in practice, is strictly selective.

The State Department spokesman on Tuesday announced that since the outbreak of conflicts in the former Yugoslavia the U.S. had sent about 750 million dollars in aid to the war-wrecked areas in the former Yugoslavia.

Personnel Changes in Federal Army Reported

LD0510165594 Belgrade TANJUG in English 1512 GMT 5 Oct 94

[FBIS Transcribed Text] Belgrade, Oct. 5 (TANJUG)—The military office of the Yugoslav president on

Wednesday released a statement saying that the commanders of the Navy and the First Army were to be retired.

The statement said that Yugoslavia's Supreme Defense Council had decided to retire Navy Commander Rear Admiral Dojcilo Isakovic and First Army Commander General Jevrem Cokic because they were past the age for performing active military service.

The satement said that the council, comprising Yugoslavia's highest state and army officials, had also retired Major-General Bozidar Djokic, head of the Third Army operational agency.

Lt.-Gen. Blagoje Kovacevic was appointed chief of general staff, while Maj.-Gen. Nedeljko Copic was appointed deputy chief of general staff and Rear Admiral Milan Zec as navy commander.

The council also appointed officers for other positions, said the statement.

Supreme Defense Council Retires Army Officers

LD0510142194 Belgrade TANJUG Domestic Service in Serbo-Croatian 1308 GMT 5 Oct 94

[FBIS Translated Text] Belgrade, 5 Oct (TANJUG)—The military office of the FRY [Federal Republic of Yugoslavia] president has announced that the Supreme Defense Council held a session on 27 September, at which it considered some personnel issues in the Yugoslav Army, and decided to retire certain officers and appoint new ones.

1. The Supreme Defense Council has decided to terminate the professional military careers—because of fulfilled legal conditions—of Colonel General Jevrem Cokic, commander of the 1st Army; Rear Admiral Dojcilo Isakovic, commander of the Navy; and—because of the needs of the service—of Major General Bozidar Djokic, head of the department for operations and training in the 3d Army HQ.

2. The Supreme Defense Council has decided to appoint Lieutenant Colonel General Blagoje Kovacevic as deputy chief of the general staff of the Yugoslav Army; Rear Admiral Milan Zec as commander of the Navy; and Major General Nedeljko Copic as assistant to the chief of the general staff of the Yugoslav Army.

The statement issued by the FRY president's military office says that at the session decisions on other appointments in the Yugoslav Army were also made.

Resignation of Chief of Staff Perisic Rumored

AU0510131394 Belgrade BORBA in Serbo-Croatian 5 Oct 94 p 28

[Unattributed report: "General Perisic To Tender Resignation?"]

[FBIS Translated Text] General Momcilo Perisic, chief of the General Staff of the Yugoslav Army, is going to tender his resignation, NOVA NADA writes in today's issue. The NOVA NADA Editorial Board claims that it has received this information "from reliable sources."

According to these unofficial sources, the reason of his departure is the disagreement regarding the apportionment of the military budget. Namely, Gen. Perisic demanded a 100-percent increase and got only 30 percent—which obviously failed to satisfy him.

JAT Resumes International Flights

LD0610091594 Belgrade TANJUG Domestic Service in Serbo-Croatian 0838 GMT 6 Oct 94

[FBIS Transcribed Excerpt] Belgrade, 6 Oct (TANJUG)—Yugoslav Air Transport's [JAT] first flight after the sanctions were eased left Belgrade for Moscow at 0730 today, the JAT information center reported.

JAT's first international flight for 28 months is humanitarian and promotional. All the money earned from the sale of tickets will be given to the children's clinic in Belgrade. [passage omitted]

Effects of FYROM Border Dispute Assessed

AU0510203194 Belgrade VOJSKA in Serbo-Croatian 29 Sep 94 p 9

[Article by Tihomir Stojanovic: "Border For Citizens' Peace"]

[FBIS Translated Text] Our border guards have been posted on the administrative border between the FRY [Federal Republic of Yugoslavia] and The Former Yugoslav Republic of Macedonia [FYROM] since the end of 1992. When it was posted there, the Army of Yugoslavia respected the borders of the registered municipalities that belong to the FRY. However, in assuming control of the administrative borders, the Macedonian side obviously entered territories that, according to all known facts, do not belong to it.

With their statements, Macedonian state leaders recently displayed a certain appetite for FRY land, mentioning "disputed territories" that went to Serbia "illegally" such as Prohor Pcinski and the surrounding municipalities of Kacanik, Presevo, Bujanovac, and Trgoviste. In addition, they have also mentioned genuinely disputed territories, pastures on Mount Sarplanina, the Kopiljaca forest, and so forth. Thus, they pursued territorial aspirations in Serbia and the FRY without any foundation.

Neighbors' Appetites

Macedonian border organs and the Macedonian state are now completely illegally exploiting 7,607 hectares, mainly pastures, that belong to the Municipality of Gora, the registered municipality of Restelica (Mount Sarplanina), which runs from between the still undefined Yugoslav-Albanian-Macedonian border all the way to the ridge between the peaks of Golema Vraca (peak 2,582) and Rudoka (peak 2692). The dispute over this territory has been going for some time, although efforts had been made to minimize this problem (dispute) before Macedonia's secession. In settling this disputed territory and defining the border in the future, one must proceed from legal state decrees dating back to 1912, 1928, and 1945, and, on the basis of these documents, prove that this territory belongs to the Republic of Serbia and the FRY. Moreover, there are also documents from neutral sources, such as the map of the administrative division of the Kingdom of Yugoslavia dating back to 1940—a German map that confirms our claim that the disputed territory belongs to the Municipality of Gora, which went to Serbia with its territory intact in 1945.

Regarding the extension of the border on the territory of the Municipality of Vitina in the Mount Kopiljaca region, the dispute between the registered municipalities of Sasara and Letnica with the neighboring registered municipalities in Macedonia has been going on since 1926 and 1928. The disputed area (2,084 hectares of forests) is being exploited by the Macedonian side, which, according to our information, even though it is known to be our territory, is mercilessly destroying the wooded areas. Essentially, the dispute arose when during the measuring and drawing of borders between registered municipalities in 1928, the borders of registered communes of Serbia were moved inside Macedonia. An attempt was made to solve this territorial dispute on two occasions, in 1952 and 1970, but the Macedonians was not interested in it.

Extending the border to the border crossings at General Jankovic and Prohor Pcinski, that is, extending the border of the registered communes in that area, had not been contentious until Macedonia's secession, even though it was known that the state leadership of Macedonia and some political parties had been showing some territorial aspirations regarding Serbia even before secession, laying claim to the aforementioned locations. Immediately following secession, the Macedonian official entities, the police and the customs, entered the territory of Yugoslavia when setting up the border, justifying their course of action by citing the undeveloped infrastructure along the "border line," according to some unofficial Yugoslav claims.

How many more disputed territories and Macedonian aspirations there will be can be observed from the statements of Macedonian officials that Macedonia's sovereignty allegedly spread at one time all the way to Ristovac in north, that Prohor Pcinski monastery and the surrounding area, and the municipalities of Presevo, Bujanovac, and Trgoviste were part of the Macedonian state as "administrative centers," that these centers came under Macedonian sovereignty, and that these territories have been used by Macedonian citizens from time immemorial.

Difficulties in Drawing the Border

The consequences of bad and short-sighted decisions concerning the state border could be catastrophic for a large number of people and a source of constant conflict and tension at the border. Determining state borders is particularly difficult in the ethnically and culturally heterogeneous areas, in which there is often a conflict of various geopolitical, economic, military- strategic, and other interests. Therefore, for the sake of a stable border, one should harmonize as many of these factors as possible and respect certain principles such as: natural-geographic, ethnic, functional-economic, locational, historic, military-strategic, ecological, and the integral (complex) principle of delineation. The definite border of the FRY and the new states of the former SFRY should be the result of the complex principle, that is, the application of the harmonized principles mentioned above.

Macedonia's aspirations toward the FRY and the position of Serbian people in that future state will certainly be a big problem when it comes to recognizing Macedonia as a state, and an enormous problem when it comes to border drawing. This is why it would be good for a team of experts, before the actually delineation, to comprehensively prepare the legally valid documents that could be decisive for the delineation, and to draw state borders accordingly, borders that would be safe and stable, that would not be a subject of constant tension and anxiety for the citizens of both countries.

Economic Institute Forecasts Dinar Deterioration

95P20001A Belgrade BORBA in Serbo-Croatian 16 Sep 94 p 10

[Article by Bojana Jager: "Nervous Spending-Assault on Prices"]

[FBIS Translated Text] Although the direct financing of the budget by new issues of money has stopped, the amount of primary money and the money supply continue to increase. If any kind of nervous spending were to start, it could be accompanied by a rapid, even explosive increase in prices. Price increases during the next 15 days will show whether the structure is developing cracks.

In the process of achieving its objective, the economic policy has created suitable conditions for prices to remain stable until now. There were even indications of growth in production. However, in September and October the results of this policy will be tested to show clearly how permanent they are in the areas of production planning, prices, and the value of dinar. There are already sufficient reasons to doubt that the dinar will remain a sound currency. This was stated in the Bulletin of monthly analyses and forecasts (for July and August) most recently published by the Belgrade Institute of Economic Sciences.

While the short-term dynamics of industrial production, as noted at yesterday's news conference, proved to be favorable (even achieving a disoriented growth of 7.4 and 4.6 percent in June and July, respectively), the level of production is still low, causing an obviously low usage, 26.1 percent, of technological potential. Since the introduction of the program, production was increased by 27.8 percent and the reserves of ready products were reduced by 2.7 percent, but the recent rise in the prices of industrial products clearly indicates that the main cause of inflation, the high cost of production, has not been eliminated. The further growth of production will be significantly affected by the degree of reduction of sanctions, as well as by the present loosening of control. According to this analysis the volume of industrial production in each remaining month this year will be higher than it was in the same months last year, but the total volume for 1994 will probably remain lower than it was last year.

Although the direct financing of the budget by new issues of money has stopped, the amount of primary money and the money supply continue to increase. The money supply is approaching two billion dinars, and this can be considered a continuation of the process of remonetization. The first signs of pressure on the exchange rate and prices are already evident. According to Stojan Stamenkovic, the situation is very delicate, and if a more serious disturbance should happen on the market, causing industry and individuals to start spending dinars faster, the demand will grow, the monetary balance will change, and inflation will soar.

One of the reasons for a faster turnover of money could be the eroded confidence in the dinar associated with possible price increases in September. Considering the structure of its investments, and the terms of the securities in its possession, the National Bank of Yugoslavia would hardly be able to neutralize a possible acceleration in monetary turnover by withdrawing a part of the money it had selectively invested, in some cases for a rather long term. Thus, if any nervous spending were to start, it could be accompanied by a rapid, even explosive increase in prices. This is one of the reasons why the current interest rates should not be questioned, although they are not stimulating for production.

In the area of public expenditures there are numerous problems, including an accelerated increase in fiscal revenues, which at this rate should affect as much as half the gross national product. This is an exceptionally heavy burden for the economy. Thus some members of the Institute propose an immediate reduction in tax rates (first of all, salaries should be relieved), so that these revenues would be reduced to the planned framework. Alexandra Posarac, M.A., points out that if the state were to react properly, limiting itself to the public revenues as planned for this year, it would be able, by the end of this year, to leave as much as 1.4 billion dinars in the economy through various tax exemptions. This would reduce the pressure on prices and issues of money for working capital. Dr. Tomislav Popovic warns that if this excess of revenues were allowed to accumulate in the National Bank of Yugoslavia, a fund might be created that would make it possible for the state to direct credit, and that would be particularly disadvantageous.

Since the economic growth needs to be supported, and since a payment deficit is likely, a strategic determination should be made to replace the policy of a balanced budget with a policy to prevent increasing the share of national debt in the national product. This would be a measure of allowed deficit, without an influx of money issues into the budget, of course. This was the only comment Stojan Stamenkovic was ready to make at this time regarding the plans recently agreed upon in President Milosevic's office, which still insists on a strictly balanced budget.

The specialists of this institute warn that salaries have surpassed production growth by far, and that they can become a cause of inflation. Although there are no data on foreign trade, there are indications that after the surplus in the first half of this year, there will be a deficit in the second half. The next issue of the bulletin will comment on whether the structure is developing cracks, based primarily on the monitoring of prices during the next 15 days. It will also give more details about the program revealed after the meeting in the cabinet of the Serbian president.

Serbia

Meeting Between Milosevic, Martic 'Cold'

AU0510161194 Belgrade BORBA in Serbo-Croatian 5 Oct 94 p 1

["S.R."-initialed report: "Meeting Between Milosevic and Martic Passed in a Cold Atmosphere"]

[FBIS Translated Text] BORBA has learned from reliable sources that a meeting between two presidents, Slobodan Milosevic and Milan Martic [leader of Croatian Serbs], was held the day before yesterday in a rather cold atmosphere. According to an explanation issued by Martic's cabinet prior to the talks, the reason for the talks was the blockade of Krajina commodities; Yugoslav customs officials were not letting them pass through the Sremska Raca crossing, despite the previously reached agreement with Mihalj Kertes, director of the Federal Customs Administration. The talks also touched on other current issues, including the opening of the [Zagreb-Belgrade] highway.

BORBA's sources claim that Martic took a "hard line" and that President Milosevic most of the time calmly listened to him. Milosevic did not attach any great attention to this line or make any special comment. However, it is noticeable that neither the Radio and Television of Serbia nor regime-inclined dailies in Belgrade devoted any attention to this meeting.

Milosevic, Churkin View Peace Process, Relations

LD0510200594 Belgrade TANJUG Domestic Service in Serbo-Croatian 1852 GMT 5 Oct 94

[FBIS Translated Text] Belgrade, 5 Oct (TANJUG)—Serbian President Slobodan Milosevic has received Vitaliy Churkin, special envoy of Russian President Boris Yeltsin, who arrived in Belgrade this afternoon on the first scheduled flight from Moscow.

During a lengthy conversation, which took place in a cordial atmosphere according to the Serbian president's office, President Milosevic and Vitaliy Churkin devoted special attention to the present stage of the peace process and to prospects for its successful resumption and conclusion.

They stressed that Serbia, i.e. the Federal Republic of Yugoslavia [FRY], proved itself as a factor of peace and stabilization in this part of Europe, as well as an important factor in efforts aimed at ending the crisis by political means throughout the former Yugoslavia. Both confirmed the importance of the decision of the international community, which meant the beginning of the abolition of sanctions against the FRY, as the most certain way toward peace, to which Russia gave special contribution through its objective approach and its consistent efforts.

Milosevic and Churkin expressed conviction that the dynamic development of bilateral relations between and Russia would continue, which is undoubtedly in the interest of both countries. At the end of the meeting, President Milosevic wished Vitaliy Churkin success in his new post and expressed satisfaction with the present level of cooperation and with his Churkin's principled and objective commitment and constructive contribution to the peace process in his capacity as Russian president's special envoy.

The reception was attended by Gennadiy Shikin, Russian ambassador in Belgrade; Vladimir Ivanovskiy, head of the Yugoslav section in the Russian Foreign Ministry; and Goran Milinovic, head of the Serbian president's office.

Churkin Welcomes 'New Policy'

AU0510203994 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 5 Oct 94

[Interview with Vitaliy Churkin, special envoy of Russian President Boris Yeltsin, by Dusan Cukic at Belgrade airport on 5 October—recorded; Churkin answers in Russian with simultaneous translation into Serbo-Croatian]

[FBIS Translated Text] [Cukic] Vitaliy Ivanovich, welcome.

[Churkin] Thank you, good day.

[Cukic] The moment has finally come.

[Churkin] Yes, indeed. We have been working very hard for this moment. I think that the most important thing that has happened today is that the political blockade of Belgrade has been breached. This was possible primarily because the leadership of Serbia, the leadership of Yugoslavia, in our view, has firmly embarked on the path to peace in the territory of the former Yugoslavia, on, above all, a political and peaceful settlement of the clashes in Bosnia-Herzegovina. The arrival of the Aeroflot plane today represents the confirmation that the international community, dealing with complex political and psychological legacy, has nevertheless understood and responded to the new policy of Belgrade.

Russian diplomacy has worked hard for this day to happen. In the last few months Foreign Minister Kozyrev has invested enormous efforts for this day to happen. I think that his last two visits to Belgrade were of key importance for this. So were his open and serious talks with Serbian President Milosevic. However, we must realize at the same time that this is only the beginning of our path. The path in front of us will be difficult. Our task is to make it as short as possible. We must travel this path together. Russia knows in which direction we should move, and my visit here today does not only have a ceremonial character. I expect to have serious talks with President Milosevic today. Tomorrow, I will meet Yugoslav President Lilic. After that I will travel to Montenegro and meet the Montenegrin leadership, President Bulatovic and other Montenegrin officials.

We should in no way stop at this, because only some sanctions have been lifted on Yugoslavia. If we do not move forward with this political initiative, the well-known, at least in theory, nervous and violent methods could prevail, and they could only lead to the continuation of the drama without leading to peace in Bosnia or Yugoslavia as a whole.

We will work in that direction.

Views 'Very Serious Signal'

LD0610013894 Belgrade TANJUG in English 0113 GMT 6 Oct 94

[FBIS Transcribed Text] Belgrade, Oct. 5 (TANJUG)—Russia's envoy on the former Yugoslavia said late Wednesday he did not doubt Yugoslav authorities' resolve to see a political solution to the crisis.

After two and a half hours of talks with Serbian President Slobodan Milosevic, the envoy, Russian Deputy Foreign Minister Vitaliy Churkin, said the world should be very careful to catch the very serious signal sent by Belgrade.

Churkin said this rare political opportunity must be taken wisely by all if peace were to be restored in Bosnia-Herzegovina and the former Yugoslavia.

Otherwise, everything will happen again—the fighting, the deaths, the bloodshed, he said.

Summing up his closed-door meeting with Milosevic, Churkin said they had discussed things that should be done in order to bring peace to Bosnia and the former Yugoslavia.

He said that the efforts to end the conflict in the former Yugoslavia should culminate in mutual recognition by the republics of the former federation.

It must be realized, however, that there is no standard of international law which might order one state to recognize another, he said.

He said it was debatable if the question of mutual recognitions of all states that had emerged with the disintegration of the former Yugoslavia should be insisted upon as the most important issue at this time and a precondition for other matters in this conflict.

He said he believed efforts should be made to promote dialogue and contacts among the parties to the conflict in Bosnia-Herzegovina and between the republic of Serb Krajina and Croatia.

This would yield practical results and be conducive to the same goal—final settlement of the crisis in the former Yugoslavia, he said.

Dissolution of Top Opposition Structure

94BA0413B Belgrade VREME in Serbo-Croatian 12 Sep 94 pp 24-27

[Article by Milan Milosevic: "Opposition and the Government: The Personnel Seesaw: A Large Transfer"]

[FBIS Translated Text] Dragoslav Pavle Aksentijevic, singer and SPO (Serbian Renewal Movement) official, resigned on 5 September from the Main Committee of that party ("So that I would not have to explain to the confused people what is inexplicable"). He accused SPO leader Vuk Draskovic of "smothering and ruining his own achievement." The day before that there were resignations in the SPO by Mihajlo Markovic, that party's vice president and general secretary, who said that the SPO Presidium had adopted decisions that he could no longer stand behind as vice president of the SPO, and Vladimir Gajic, who feels that the SPO has begun entirely to "be run autocratically." The two have remained members of the Main Committee and have retained their deputy seats. Mihajlo Markovic, who has submitted his resignation several times previously, announced that he would be withdrawing back in the early summer, but Draskovic did not accept that resignation, reportedly "getting away" for a vacation. In the meantime, Markovic, who had occasion to mention the UDB [State Security Administration], exchanged a few cordial words with Bogoljub Pejcic, editor in chief of SRPSKA REC, who heads the SPO Personnel Commission. Draskovic reproached the media for making a big thing of the resignation. He recalled that the SPO is a large party that is being joined by new people. Milan Komnenic, the party's spokesman, declared that "the search for scandals in the SPO is the work of the war lobby in this country, which is trying as hard as it can to repudiate the SPO." Dr. Vojislav Vukcevic, at one time the founder of the SDS [Serbian Democratic Party] for Eastern Slavonia and Western Srem, was appointed the party's new general secretary, and Gvozden Rosic, at one time the SPO candidate for president of the Assembly, and Aleksandar Cotric, people's deputy, were appointed members of the Presidium; they are all politicians of moderate orientation.

The Search for Money

Stormy partings have been a tradition in the life of the opposition since the time when the SLS [Serbian Liberal Party], the DSS [Democratic Party of Serbia], and so on, split off from the Democratic Party [DS]. In the early summer, Dragoslav Milicic, SPO vice president and by his own account one of those who has been financing this party up to now, submitted his resignation from that party post. He lodged a number of charges, above all against Danica Draskovic, out of a suspicion that the Draskovices and their friends have enriched themselves. SRPSKA REC (read my lips: it is not a party organ of the SPO, but a private newspaper), however, wrote in its 29 August issue that "the former vice president had a net gain of 20 million dinars (German marks [DM])," in that he obtained building sites in the Belgrade opstina Stari Grad, for which the opstina paid the project planning costs, and "with the distribution of five sites at once to Mr. Milicic, a private businessman, this party compromised itself in Stari Grad Opstina and the public generally to such an extent that there is no way to make it up."

The Savski Venac Opstina Committee of the DSS rubbed a little more salt in the wound by pointing publicly to "large-scale usurpation of municipal land" from officials of Savski Venac Opstina, who "recently had begun to pounce even on the private property of individuals, breaking into dwellings." The DSS committee called upon Nikola Adasevic, opstina president, and the committee members of the Serbian Renewal Movement to act with the greatest urgency and "replace their members who had abused their office out of a desire for personal enrichment and thereby turned the SPO into a branch of the SPS [Socialist Party of Serbia], with the task of compromising that party."

The Belgrade Municipal Assembly immediately issued a public appeal to the opstinas of Belgrade to halt and prevent abuses, at the same time gloating a bit that the Municipal Assembly had certainly been right to place the property of the opstinas (mostly voting for the opposition) under its own jurisdiction. In the meantime, the SPO dissolved several of its own opstina committees because of opposition to the party's policy or because of abuses (Palilula, Smederevska Palanka, Pozarevac), and this was most frequently related to criticism of the support which the SPC gave to the signing of the peace in Bosnia. SRPSKA REC, for example, says that the committees in Smederevska Palanka and Smederevo were turned against Vuk by Dragoljub Milicic himself, who before he came to the SPO was a construction contractor in Smederevska Palanka. The SPO Bylaws, which broadened the authority of the party's president, were amended, however, back on 21 May, in a meeting of the SPO Main Committee in Kragujevac, that is, considerably earlier than Milosevic's change of direction in Bosnia.

Ethnic Bloc

This is only a sequel to an old film: Srdjan Sabljic, SPO deputy in the Krusevac Assembly, is an exception only because he is moving over to the SPS. Following a quiet conflict that has lasted a year, Zoran Horvan, a deputy of that party, left the SPO last fall and tried from the position of vice president to transform the Conservative Party [KS]. Because he was not successful in that, he withdrew from politics and is now selling real estate. Mladen Markov, who represents a more severe ethnic option, left the SPO with a lot of noise this spring. The departure of Slobodan Rakitic, who took with him a group of federal deputies, among them Strahinja Kastratovic, Vojislav Nedeljkovic, Zoran Cirkovic, Pavle Premovic, Jovan Babic, Radomir Urosevic, Aleksandar Taskovic, and so forth, caused the greatest upheaval in that party.

Later, in order to preserve their deputy seats, they would say that they were deputies of DEPOS [Democratic Movement of Serbia] rather than the SPO. In the end, they established a party with the name DEPOS. The Radical-Socialist majority at that time did not support the demand of the SPO to exchange the seats. It is of interest that all these partings involved the accusation of Danica Draskovic for domination in the party, reproaches that the SPO was conducting a "nonethnic policy," that it was expending too much criticism on Karadjordjevic's leadership in Pale, and that it was moving close to the civil option.

A month ago, Dr. Ljubisa Rajic gave up the helm of the newspaper REPUBLIKA and wrote an article in which he was critical of the GSS [Citizens Alliance of Serbia] for moving closer to DEPOS and the Serbian Renewal Movement, for losing touch with the minorities, because the liberal option in the party had become stronger than the social-democratic option, and because the party was moving toward leaderism. Ratomir Tanic, vice president of the GSS, assessed the policy of that party from the opposite side when on 5 September he submitted his resignation from the position of vice president of the GSS and left that party, giving as the reason for his resignation the "absence of a consensus within the party concerning key political issues," especially concerning the national and state interests of Serbia and the FRY. He mentioned "domination of the anachronistic dissident way of thinking, and poor personnel policy" in the GSS, and then "the absence of a critical awareness of the mistakes of the party and avoidance of personal consequences, even when the political damage was obvious," all of which constituted the reasons why "the party is slowly destroying itself." Vesna Pesic, GSS president, did not accept these reproaches and reproached Tanic for not having debated these issues within the party.

Tanic, as we shall see, was to turn up among the founders of a new political institution called the Democratic Center (see the box). That Democratic Center is above all the result of the fact that the Democratic Party is now the party with the most clearly defined faction, headed by Dragoljub Micunovic.

Slobodan Vuckovic, Svetlana Knjazeva, Vida Ognjenovic, Milena Jaukovic, Dragan Domazet, Borka Bozovic, and others submitted resignations to party posts in early March because of disagreement with the policy of the new DS president Djindjic (moving closer to Milosevic, coquetry with Karadzic, the brutal removal of Micunovic).

From Djindjic's side, Radoje Djukic and Slobodan Radulovic declared that they were leaving the Democratic Party because it was joining the new government, although Radulovic still has not returned his deputy seat, in spite of the demand of the Bylaws Committee, but as a formality he has not yet been expelled from the party.

Cutting It Up Fine

There is hardly a party which has not been broken up since the last election: This summer, Petar Lazic, who heads the deputy caucus of New Democracy—Movement for Serbia [ND-PS], returned his deputy seat, which went to Dragan Cekic (age 33), a physicist from Belgrade. Zarko Jokanovic, one of the student leaders in the 1990's, now heads the caucus.

The Peasant Party of Serbia [SSS] has been devastated by factional fighting because of the election defeat. One faction voted no confidence in its leader, Milomir Babic, and then the faction supporting Babic expelled the other one from the party, and it has all continued as a marathon dispute.

The Democratic Conference of Vojvodina Hungarians [DZVM] split when Sandor Hodi, its vice president, was asked to explain how he had spent DM600,000 of humanitarian aid from abroad. The conflict resulted (on 18 June) in the formation of the Alliance of Vojvodina Hungarians (SVM), with Ferenc Cubela, previously a deputy of the DZVM, as president; he declared that he could no longer carry on a democratic dialogue with Agoston and his followers. From what some papers have written, even the mediation of the Hungarian Government in Budapest was unable to reconcile the two groups.

Alija Mahmutovic and Rizah Gruda, former republic deputies, wrote an open letter in early August accusing

Sulejman Ugljanin of pushing the Muslims into war and of uncontrolled spending of party money and humanitarian money.

Mirko Jovic's SNO [Serbian National Renewal] has divided into two parties, both with the same name (criminal charges have been filed against dissidents Milomir Djuricic and Slobodan Kalinic for alleged abuse of the party's seal and name, and they in turn have accused President Mirko Jovic of financial misappropriations and abuse of money coming from abroad for the "Dusan the Strong" Humanitarian Society). In Stara Pazova in mid-August the two parties held separate rallies at the same time in support of Karadzic.

In the Democratic Alliance of Kosovo [DSK], the party's founders did not fare so well in elections to the leadership in the recent Assembly; about 60 percent are new activists, but former political prisoners fared somewhat better. Critics say that the entire Assembly came down to Rugova's address, and Agani, a veteran of that party, said that Rugova had nevertheless held his movement together. However, VECERNJE NOVOSTI of Belgrade has provided extensive reporting on the public quarrel between Anton Koljaj, Rugova's ambassador in Albania, and Bujar Bukosi, prime minister of the provisional Kosovo government in exile, who is accused of having usurped the fund to finance the Republic of Kosovo and of "departing far from Rugova's idea of the independence of the Republic of Kosovo."

Vladimir Kranjcevic submitted his resignation from the post of vice president of the League of Social Democrats of Vojvodina [LSV], while remaining a member of the Main Committee, and Branislava Kostic was "relieved of the duty" of that party's spokesperson—all of this involving harsh criticism of Nenad Canak, LSV president. Branislava Kostic said in that connection: "I am certain that all of this is a consequence of regime people having infiltrated our ranks and having blackmailed and scattered the opposition."

Both in the last term and the one before that there were deputy transfers in the opposition that were much written about: Mahmut Memic, deputy of the SDA [Democratic Action Party], joined the Democratic Party; Srbislav Milovanov, deputy of the SPO, went over to the Serbian Radical Party [SRS], after he condemned what he called the destruction of Belgrade in the 9 March demonstrations, and then he attacked the rebellious students and was one of the most vocal firebrands in the Serbian Assembly; Dragan Jeftovic, SPO deputy, went over to the DS; Mihajlo Kovac, elected on the slate of the Party of Yugoslavs [SJ], joined the Democratic Party and then was in the wing which split off from it and formed the Democratic Party of Serbia [DSS]. In the 1992 elections, there was a brief strengthening of the opposition thanks to the nonparty deputies of DEPOS (Mica Popovic, Mihiz, Pavle Nikolic); in the last elections, Milan Bozic of the Serbian Liberal Party went over to the SPO....

All these transfers are nevertheless not to be compared to the present disintegration of the top leadership of the old opposition political structure. These are sure signs that political life in Serbia has simply lost its energy.

Silenced

When you include in the politically deactivated those who have been removed, chased away, discouraged, and disgusted, those like Ivan Djuric who have emigrated, and then the so-called national nonparty figures in DEPOS who have been silenced (Mica Popovic, Mihiz, Palavestra, Srbinovic, Beckovic, Selenic, and others), and then the intellectuals of the Belgrade Circle who have been persistent, but continue to be isolated (Miladin Zivotic, Vladan Vasiljevic, Obrad Savic, Alojsa Mimica), and, finally, the disappointed leaders of the university protest (Dragan Djilas, Jasna Sakota), it is evident that both the "ethnic" and "interethnic" alternatives have been simply "immobilized."

And how about Dobrica Cosic, "father of the nation"? As one sociologist has said, quoting Mihiz, he is here somewhere, just like always. And just like always he is probably offering to mediate between his "most popular Serb in the 20th century" and his "politician with a world vocation." For quite a while he has been repeating that the political scene should be "rewritten." The way it has usually worked is that Milosevic is the first to begin to do what he is saying off to one side.

Vuk Draskovic's Serbian Renewal Movement and Vesna Pesic's Citizens Alliance of Serbia have not, then, won any visible points from their antiwar stance, even when that became the state ideology. Vesna Pesic because of the lack of a party infrastructure, and Draskovic partly because of the rebellion of the nationalistic wing in his party, partly because of the "dividing up of the booty" (deputy seats, posts, offices, and so forth), partly because of the money scandals and various inclinations toward enrichment, partly because of the "fires that were set," partly because of fatigue of materials, partly because of the UDB, partly because of the drawing-room nationalists.

Deradicalization

Thanks to this set of circumstances, Slobodan Milosevic has increased his advantage over all his opponents, but his "Vranje trip" this week shows that he was forced to go out into the field and to repeat "what is known by even the birds in the trees." Because his propaganda has been systematically poisoning the air for three years, he is probably concluding that something stronger is needed than merely suppressing the chauvinistic rhetoric.

In early January 1994, the Serbian Radical Party went through a division "in the presence of the government"; Ljubisa Petkovic, from whom Vojislav Seselj took the keys of an automobile which was allegedly the property of the Serbian police in front of the cameras, headed the group that left. Petkovic, previously vice president of the party, formed the Radical Party of Serbia [RSS], which elected the lawyer Zvezdan Babovic, until then "a candidate above parties," to be its leader. In Novi Sad, the Radicals there removed Federal Deputy Milorad Crnjanin, who then complained to the Central Homeland Administration. In the meantime, while this personnel conflict awaits resolution, the Radical domination in this city is slowly falling apart. The SRS in Krusevac is suing its former president, who is now a member of the splinter Radical Party of Serbia, for alienating 18 packages of humanitarian aid. His response: "Vojislav Seselj ate the packages of humanitarian aid when he was touring the Rasina District!"

It is not certain that the Serbian Radicals have become stronger since the break with Karadzic by attacking Milosevic for ending the war policy, and this can hardly be said of Djindjic's fickle Democrats, nor of the anemic Serbian Democrats of Vojislav Kostunica, who, as favorites of the church, of the more ethnic parts of the academy, and of what is called the "Slavic party" in Belgrade, are entering that space. (Matija Beckovic about Vojislav Kostunica on 4 December 1992: "He is the personification of the new, the young, the educated, the modern, the beautiful, and the uncompromised Serbia. Kostunica comes from the region around Rudnik, which for a long time has not produced a man which the Serbian people has been waiting for.") They say that the weak-willed "Slavic party" is nevertheless now counting on Karadzic the gambler.

And the SPS? By and large it is sweeping in front of someone else's door. It has renounced the former mayor, Slobodanka Gruden, the veteran of the Eighth Meeting, plus the humiliation of returning a diamond necklace to Dafina Milanovic; it has rewarded several of its loyal supporters with diplomatic ribbons (Markovic, Smiljkovic), and has rid itself of several more of its fellow travelers. The affair of the mysterious million marks which Jezdimir Vasiljevic supposedly paid the Belgrade Municipal Assembly is an indication these days that perhaps someone else's compromise is being prepared (in a telephone interview from the equator, Master Jezda says that he did not give that money!). While the whisper goes around that "the Eighth Meeting is being prepared" again, POLITIKA speculates that a change in the top party leadership is now being prepared, that Milomir Minic, who has worked silently, in the shadow, as general secretary of the SPS, will be replaced by the more aggressive Slobodan Jovanovic, who now heads the Belgrade Committee of Socialists and is a "figure whose rating is rising with President Milosevic" (he is saying that there will not be any upheaval or even any extraordinary congress).

In this time of war, few officeholders have left the SPS; this was done back two years ago by six deputies of the Serbian Assembly who went over to the Social Democratic Party: Among the most visible were Momcilo Trajkovic, Ilija Rosic, and Jovan Cvetkovic, and they were later joined by Aleksandar Prlja, former director of POLITIKA. That party later split into two wings. The other one is led by Cedomir Mirkovic, who recently joined his Social Democratic Party of the Center with New Democracy, a party which entered the Assembly through DEPOS, but thanks to a compromise with the SPS it has become a partner in the government and the holder of one deputy premiership and several ministerial portfolios.

It would be natural to expect that after the change of direction in Bosnia the party that made that change of direction would sooner or later carry out a purge in its ranks of the infiltrated Radical elements. However, the SPS is probably a strange party which changes its name, the state, the ideology, its war policy, and its peace policy, without changing many officeholders. They just hand out the new music to the old orchestra. Get dressed, dear, people are coming! Difficult human and political partings in which there is mention of internal party democracy, money, and, usually, the "national program," are shocking others.

[Box, p 26]

Democratic Center

The Democratic Center, whose founders are Dragoljub Micunovic, Desimir Tosic, Vida Ognjenovic, Bora Kuzmanovic, Velimir Simonovic,, Dragan Domazet, Svetlana Knjazeva, Leila Ruzdic, Boris Tadic, Ratomir Tanic,...was formed this July. This month, the Democratic Center is being joined by the recently formed Democratic Center for Vojvodina, whose members include Dejan Janca, Bosko Kopilovic, Dragoslav Petrovic, Miodrag Brankov, Momcilo Grubac, Slavko Kevresan, and Miklos Biro. An initiative for establishing a Democratic Center for Vojvodina (DCV) has been taken in no fewer than 14 Vojvodina cities. Aleksandar Popov, chairman of the Executive Committee of the Main Committee of the Reform Democratic Party of Vojvodina (RDSV), has invited to the founding meeting, which will be held on 10 September, individuals, associations, and political parties of a democratic and civil orientation from the territory of Vojvodina, which in turn says that the objective of the DC is to coordinate the activity of all democratic parties, associations, and individuals with a civil orientation. The Programmatic Foundations of the DCV states that "the Socialist Party of Serbia (SPS) has shattered the effectiveness of opposition activity with undemocratic methods and by using various forms of monopoly."

The Association of Citizens for Democracy, Social Justice, and Support of Trade Unions was formed a month ago and activated the other day (its initiators include Prof. Zagorka Golubovic, Vukasin Pavlovic, and a group of Belgrade intellectuals who have not so far been committed to a party).

Country Produces Enough Food for Export

LD3009142094 Belgrade TANJUG in English 1351 GMT 30 Sep 94

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, Sept. 30 (TANJUG)—Yugoslavia's 1994 food production will feed domestic needs by 10 percent giving leeway for exports, despite the two and a half years of economic sanctions.

The latest report of the Agricultural Ministry of Serbia puts this year's wheat production to about 3.6 million tons, enough to sustain the Yugoslav population for the next two and a half years.

The Yugoslav Government estimates that more than a million tons of wheat will be free for export.

The average 3,775-kg-per-acre yield is 15 percent up on 1993 and 1992. This year's corn production is estimated at about 5.2 million tons, 30 percent up on the previous year.

This will enable the realization of stock-breeding production program.

Sugar-beet production is 130 percent up on the 1993.

Sugar production is estimated at 360 thousand tons, enabling the export of 80,000 tons.

Sunflower, soya beans and other oil crops are expected to reach 500,000 tons.

Yugoslav Government experts believe that this year's agricultural production has contributed a great deal to the realization of the economic recovery program introduced on January 24.

The Yugoslav economic program put an end to the soaring hyperinflation which had at one point reached the monthly rate of 300 million percent.

Causes, Results of Strike at IMT Viewed

94BA0413A Belgrade VREME in Serbo-Croatian 12 Sep 94 pp 22-24

[Article by Perica Vucinic: "A Break in the Sun"]

[FBIS Translated Text] Rade Radovic, a foundry worker at IMT (Motor and Tractor Industry, joint-stock company), said that a new era had begun in trade union organization.

Radovic, the Belgrade worker, made this statement while under the impression of the just-ended eight-day hunger strike in which 20 of his fellow workers also took part. And, one would say, the worker rebellion, which has come to an end, has fascinated some other people aside from those who took part in it, because the time, judging by newspaper headlines, was measured from 30 August 1994, when the strike began, and announced in the headlines: "Second Day of the Strike at the IMT Foundry," "Third Day of the Strike"....

Although newspaper headlines and statements suggest importance and "historical significance," we think it is appropriate to recall the causes and the course of the strike. On 1 August of this year, the general manager, the board of directors, and the independent [samostalni] trade union of IMT adopted a decision "sending 2,500 workers on paid leave because the reduced volume of production made their work temporarily unnecessary." The workers were put on unpaid leave for a period of one year, beginning on 1 October of this year. During the paid leave, the workers would receive compensation at the level of 80 percent of guaranteed net earnings. Those put on paid leave were those who had not been assigned, workers who had been disciplined, workers who qualified for a pension (old-age pension or early pension), workers with job-related disabilities, and workers leaving at their own request.

Hostage to the State

The independent [nezavisni] trade union of foundry workers reacted in mid-August with the explanation that the decision to send the workers on paid leave was unlawful and inhumane. In a meeting of the trade union committee held 29 August, a decision was made that the next day, 30 August, the committee would begin a hunger strike that would last until satisfaction of their demand that this decision be vacated, that the assembly of the joint-stock company be dissolved and a new one elected, and that the general manager and members of the board of directors be removed for having signed the "decision referred to."

Then came the eight days of the strike. One would say these were peaceful days of worker dissatisfaction. One specific feature of this strike was an unknown (and it still is): Is the strike in New Belgrade a harbinger of an autumn of worker dissatisfaction, the anticipated conflict of the hard-line monetary policy and chaos in production, a conflict in which the workers are hostages? Nebojsa Savic, president of the trade union of foundry workers, says that the IMT is also a hostage, being blackmailed by the state with the offer of obtaining money to invigorate production provided it discharges 2,500 workers.

Jovica Petrovic, trade union spokesman, explained why the most drastic form of strike—the hunger strike—was resorted to in terms that were a bit pathetic: "We judged that they had on their side the government, the media, and money. We had nothing with which to oppose them, except life itself." On the eighth day of the strike, Jovica Petrovic and his comrades were joined by the entire foundry, certain other plants of IMT announced a strike, and metalworkers from the interior of Serbia were announcing support....

Idleness in the warm sun was an occasion to peer for the umpteenth time into the cheerless reality of the workers and the depressing dark shops with steel dust in the air even when there is not a living soul in them. Vidosava Gazibaric, who has spent half of her life, 22 years, in the foundry, says that she did not understand the decision to discharge the disabled workers, because all the foundry workers are disabled. She says that she lost a leg seven years ago and wears a back brace, that she was waiting for the happy time that would be brought by the end of the war before retiring. Now she is not certain that she can get a pension sufficient to live on, and right now she is afraid. If she went on paid leave, she would have 80 percent of her guaranteed net earnings, or 32 dinars a month.

People do not know whether they are on the notorious list for paid leave. They say that only those who have strong connections in the factory management can check to see, this is usually the very top limit of worker privileges.

"Disabilities are generated here. We all came here healthy, but we are disabled when we leave," complains Miladija Bisevac. Almost every woman timidly "declares" that she has gynecological problems. They work with toxic molten metal, they lift heavy loads, and they bathe in cold shower rooms.

Ljiljana Radovanovic has been working in the smeltery for 11 years, five years in finish machining. Her husband has 27 years of longevity and is certainly on the list, because it is well-known that 523 disabled persons in Categories II and III are on the list. With 43 years of longevity between them, Ljiljana and Stevan Radovanovic earned 78 dinars between them last year.

As though God himself is keeping the Serbian worker alive. Almost always some little plot of land, some pigpen, some garden, some relatives, some in-laws, some second job... turns up. Almost always at the last moment, just when you think that that Serbian worker is going to die of hunger, he scratches up an onion, he picks and pickles a head of cabbage, he sends his child to some grandfather or grandmother in some village, he smokes a ham or waits for one already smoked at the bus station. And that is how the Serbian worker lives, thanks to not having forgotten how to farm.

No one who last winter jumped into the streams of money on the gray market will admit for the life of him how he sold the foreign exchange, just as for the same price he will not let anyone know that he is now smuggling Bulgarian gasoline and who knows whose cigarettes and clothes. He is ashamed. If those who are smuggling have reasons not to admit it, those who are not smuggling have no reasons not to say why they are not working. "I do not even have 500 German marks [DM] with which to get started," says Dragan Makljenovic. He was thinking of borrowing some money and smuggling some cigarettes or gasoline, but, he calculated, if the police caught him and confiscated that, he would never be able to repay the debt.

A Vote for Broz

Makljenovic is telling this as the foundry workers go to another IMT plant to inform the workers of those plants about the results of the talks with the management. The "news hour" takes place in the open area between the compressor station, the dining hall, and the shop where they make tractor-drawn machines. Observing the Serbian worker in the sample gathered here, numbering about 2,000 souls, one can conclude that he has become serious, that there is no trace of that euphoria when he stressed his "trade union" demands for the arrest of Azem Vlasi and when he demanded weapons in front of the SFRY [Socialist Federal Republic of Yugoslavia] Assembly. That gathering, and also the whistles of protest "against those who did not provide information," for example, were like scenes from worker rallies seen in films made on the awakening of the trade union movement in the Kingdom of Yugoslavia: unanimity expressed by a show of hands, the seriousness of the speakers and the intentness of the listeners, with a few interjections, or, in short, the atmosphere of trade union romanticism. Tomislav Kitanovic, several times champion of labor in the SFRY, a delegate of the self-managers in New Belgrade Opstina, nevertheless prefers the more recent, more beautiful, and happier period in which there were no strikes, and he said that if Broz were to return by some miracle, he would vote for him with both hands. As far as Broz's portraits are concerned, they are not to be seen on the walls. One of Lenin has remained—in the meeting room of the foundry, a reproduction of the Russian picture in which the workers are approaching Comrade Ilich, who is wounded.

It did not occur to anyone to demand anyone's arrest. Neither the movement nor the demands extended outside the factory yard. The demand for removal of Ljubomir Stevanovic, general manager, was the third and last demand. Stevanovic is accused of being incompetent and of violating legal regulations on joint-stock companies, of being inclined to recurrences of the old system, and of some other things. The most frequent charge is that he betrayed the workers by giving in to the "shameful pressures of Beobanka" when it set the condition that he discharge 2,500 workers to get money to resume production.

"Actually, the biggest problem is that the government thinks it has solved the problem because it will take over some of the workers who will be sitting at home with a compensation of 32 dinars a month. But with 32 dinars even a magician could not live," says Stevanovic. He went on to say that the present is the hottest time for factory managers. Eleven years ago, he says, he paid a fine as manager of the tractor factory because he did not respect the law that was in effect at that time and increased the number of employees by 3 percent. At that time, the director managed to include only trainees in that 3-percent quota, and, Stevanovic says, this is now coming back to him like a boomerang. The director says that 7,850 workers is the optimum number for the available capacity, but the market fell apart, the market was cut in half by the disintegration of the SFRY, the sanctions were introduced and cut off the flow of production materials, the purchasing power of tractor buyers has been reduced, in spite of all that the workers were not fired, and working capital was thus eaten up by the payment of wages and salaries.

They received a loan from Beobanka of 30 million dinars provided IMT does not set aside more than 25 percent of gross income for wages and salaries.

Recall

That is both the end and beginning of the story. In Serbia, even Serbian Prime Minister Marjanovic has said so, there are about a million emplyed persons who are redundant. Another 700,000 or so are waiting for jobs without any success at all. The duty of informing the redundant people of the cruel fact fell to the manager of IMT, which is the beginning. Another beginning is that the trade union has the honor to say that it does not recognize redundancy, but only the inability of the management to provide them work, and this honor fell to the independent (nezavisni) trade union of IMT foundry workers. In the meantime, while the eight-day strike was going on, negotiations took place between the metal industry trade union Nezavisnost and representatives of the government of Serbia. Thus, the score in the factory yard in the game between the workers and the management was fixed (it ended in a tie). The management's decision to put workers on paid leave was vacated; instead of a demand to dissolve the assembly of the joint-stock company IMT, a proposal was adopted to make it possible for all the organizational entities of IMT to recall their delegates, instead of removing the general manager. The board of directors will examine his work and possibly make a decision to dismiss him and advertise the vacancy.

The redundancy of workers will not, of course, be solved even though this decision about putting them on paid leave has been vacated. If there were any euphoric statements, they have the justification that this is the first strike in which the pluralism of trade unions has been recognized. As far as the game goes, it is still being played. If there are more fixes, there will be less ferocity. So, we still do not know whether this autumn will be hot, nor how hot it will be.

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